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# Colorado Ex-Convict Charged in White House Fusillade

seized on the incident to point out that Mr. Clinton had only last month signed legisla-

tion hanning certain military-style weap-

ons similar to the SKS, a Chinese-made

version of a Russian rifle. Republicans

generally opposed the anti-crime measure.

"We think that it's time to get tough against these assault weapons," Vice Presi-

By Paul F. Horvitz
International Herald Tribme
WASHINGTON — A Colorado man was charged Sunday with property and weapons violations after he pulled a semi-automatic rille from beneath his raincoat the day before and sprayed the White House with as many as 30 shots.

There was no immediate suggestion tound a C from investigators that the incident was an attempted assassination of President Bill Clinton, but they did not rule out addition-

al charges. Federal officials said they were grateful

that the suspect, Francisco Martin Duran, an angry, despondent 26-year-old felon who had been drummed out of the military, did not injure anyone as be fired a Chinese-made SKS assault rifle from a Pennsylvania Avenue sidewalk through an iron fence about 75 meters from the resi-

The shooting raised new questions about the effectiveness of the Secret Service and placed the issue of gun control atop the political agenda.

White House officials, mindful of pivotal congressional elections a week away,

dent Al Gore said in a broadcast interview.

Leon E. Panetta, the White House chief
of staff, said Mr. Clinton would go forward with a heavy political travel schedule and that no decision had been made on a Secret Service request to permanently

close the street and sidewalk adjacent to the White House.

The president's staff said he would attend a previously scheduled fund-raising performance Sunday evening at Ford's Theater, the site of the Lincoln assassination in 1865.

Investigators did not rule out the possi-bility that further inquiry would yield a charge of attempted assassination. But initial reports indicated that Mr. Duran was a disturbed man who acted alone and who, according to one account, carried a note

suggesting he wanted to die in a confronta-tion.

Mr. Clinton was in the White House on Saurday, watching a foothall game on television only a few hours after arriving home from the Middle East, and was unhurt in the mid-afternoon shooting. His wife and daughter were away.

Only one White House window, in a lower-level press room, was pierced. How-ever, three hullets struck the upper walls of the building near the president's quarters,

See GUNMAN, Page 6

# **Israel to Ease** Blockade at **Palestinian Border Points**

Announcement Is Made In Casablanca as Rabin Meets Arab Leaders

By Clyde Haberman

New York Times Service
JERUSALEM — Israel said Sunday that starting on Tuesday it would relax the blockade that it had thrown around the West Bank and Gaza Strip after the Oct. 19 suicide bombing of a Tel Aviv bus that killed 22 passengers and the attacker.

At the same time, Israel and the Pales-tine Liheration Organization hammered out arrangements to station Palestinian police officers for the first time at the border crossings from Gaza into Egypt and from the West Bank into Jordan. They may take up their posts as early as Mon-

Both developments were announced in Casahlanea, Morocco, where Isrneli and PLO leaders met before the opening of a conference on economic development in the Middle East and northern Africa.

A large Israeli delegation went, including eight cabinet ministers and devens of industrialists. Coming as it did only four days after Israel signed a peace treaty with Jordan, the Casablanca gathering was viewed by many here as another sign of its growing acceptance by the Arab world.

But they also recognized that progress

on that front hinges to a degree on expanding their agreement with the PLO on Palestinian self-rule, still in its early stages in the Gaza Strip and the West Bank town of Jericho. And so a meeting in Casahlanca on Sunday between the PLO chairman, Yasser Arafat, and Prime Minister Yitz-hak Rabin of Israel amounted to a rescue mission to get their negotiations back on a

They have been on a rickety course for weeks, jarred by several terrorist attacks carried out by the Hamas Islamic militants and capped by the Tel Aviv bus bombing.

Israel immediately sealed off Gaza and the West Bank after that attack, keeping some 60,000 Palestinian laborers from . low-paying jobs in Israel and deepening territories economie troubles, For is raclis, the separation was welcomed as both a security measure and a way to allow passions to cool, But for Palestinians, it came as collective punishment, and it weakened Mr. Arafat - and strengthened Hamas - hy making him look like a captive of Israeli decision-makers.

Already feeling shunted aside hy the Israeli-Jordanian treaty, the PLO made an end to the territorial closing its No. 1 demand. And Mr. Rabin, apparently con-

See MIDEAST, Page 6

# **IRA Leader** Yields a Bit on **United Ireland**

By James F. Clarity New York Times Service

DUBLIN - Gerry Adams, the political leader of the Irish Republican Army, said Sunday that he could agree to a compro-mise solution of the sectarian conflict in Northern Ireland that fell short of the

IRA's ultimate goal of a united Ireland. In perbaps the most conciliatory statement he has made since the IRA began a cease-fire two months ago. Mr. Adams said that as president of Sinn Fein, the IRA's political wing, he still wanted a "unitary state" combining the North, a Protestant-dominated British province, with the construction of the Protestant Control of the P with the overwhelmingly Roman Catholic Irish Republic.

But, asked in an Ulster Television interview if he was "prepared to accept a settle-ment that is something other than a united Ireland" he said: "Yes. I'm prepared to compromise. I'd like to see a united Ireland. I am an Irish Republican and make

no apologies for that."

Referring to peace talks he expects to have with the British and Irish governments in the coming months, and talks he wants with Protestant leaders, he added. "We may have to talk about times, we may have to talk about what replaces it, we may have to talk about transitional modes. An Ireland uniting the six counties of

See ADAMS, Page 6

# Company Beller ag This Time, No Panic

# Security Aides Play Down the Shooting, Although Aerial Attack Is Still a Worry

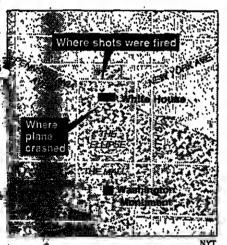
By Stephen Labaton
New York Times Service

WASHINGTON — in September, se-curity officials looked rattled when a small Cessna airplane breached the compound and, without warning, crashed under the presi-Cessna airplane breached the closely dent's bedroom.

to destine the total state. But the same security oringals shooting on Saturday in stride, declaring only a few hours afterward that the guid only a few hours afterward that the gunman was so inept that his barrage could not even be considered a serious threat on the president's life.

would not characterize this as an assassination attempt at all, no way," said Richard Griffin, assistant director for protective operations at the Secret Service.

The two incidents highlight the strengths and vulnerabilities of the securi-



ty system around the 18-acre White House compound. They suggest that the president and others in the White House are more vulnerable to an airborne attack than to someone taking potshots with a rifle from Pennsylvania Avenue.

A senior White House official said that, in contrast to the midnight flight of Frank · Janes Call Eugene Corder, the assault on Saturday had no chance whatever of harming the B. R. Buth. president because he was in a building with 1,000 May 173 thick walls and with bulletproof glass on all windows that count in terms of presideutial security.

In the West Wing press room, one win-dow that is standard glass was shattered.

But the official said the windowpane closest to the rostrum used by Mr. Clinton and other senior officials is bulletproof.

Mr. Corder, by contrast, showed that if confused, intoxicated man with limited flying skills could almost manage to hit the president's bedroom with no resistance, then a determined, skilled assassin could inflict far greater damage with such an

in part, the difference reflects experience, For more than 40 years, the Secret Service has planned extensively for assaults involving guns. The security concern goes back to at least 1950, when two Puerto Rican nationalists tried unsuccessfully to shoot their way into Blair House, the official guest residence, and assassinate President Harry S. Truman, He had been staying there during renovations on the White House,

The difference also results from the security strategy during an assault. Because the White House sits in the middle of a city, security is more defensive than offensive. The usual approach for protecting the president in an assault is to move him, because sharpshooters and Secret Service agents are reluctant to fire their weapons into the crowded streets around the com-

With an airport moments away from the White House, however, an assassin intent on flying into the building would be difficult to detect quickly.

Even after concrete barriers were placed around the White House to prevent car bombings, the Secret Service has continued to ask permission to close Pennsylvato traffic officials, the easiest way to protect the president would be to put him in a hermetically sealed bubble.

This is a stark reminder to the president and his party of how vulnerable they are," said John Gaughan, a former director of the White House military office. Given the focation of the White House, he said, the risk is "there day in and day out."

But the White House bas resisted closing Pennsylvania Avenne because, as the chief of staff, Lecn E. Panetta, explained again on Saturday, it does not want to project the image that the president's residence is inaccessible to the public.

You have to do best you can to counter that," Mr. Gaughan said, "But this is America, and people have the right to see

# Pope Names 30 Cardinals, Shuffling Succession Fight

By Alan Cowell New York Times Service

ROME — In a sweeping move for both the politics and the theology of the Vatican, Pope John Paul II appointed 30 new cardinals on Sunday, cementing his influence on the uppermost ranks of the Roman Catholic Church and upending previous calculations about the likely identity of his

The new appointments from 24 countries will bring the number of cardinals under the age of 80 — and, therefore, eligible under church law to elect a new pope — to 120, the maximum number allowed to participate in the secret ballot that takes place in the Sistine Chapel when

The vast majority, numbering 100, have now been appointed by Pope John Paul II, meaning that his doctrinal conservatism will survive well into the next century.

Addressing the faithful from his apartment high above St. Peter's Square, the Pope said he would summon the existing cardinals to Rome on Nov. 26 to confirm the appointments. The ceremony, called a consistory, will be the sixth since John Paul assumed the papacy in 1978 and,

numerically, the biggest.

The last one was held in June 1991, before the Pope, now 74, began to shows signs of frailty and ill health. He has walked with a cane since breaking his thigh in a fall last April and he canceled a scheduled visit to the United States this month after telling aides he did not feel able to face the rigors of the journey.

The Pope has traditionally used consistories to appoint like-minded clerics who contraception and the ordination of women, ensuring that his influence will not die with him. In recent months, there have been wide-

spread reports of maneuvering over the succession within the Vatican and much open speculation about who the next Pope might be. But the latest appointments, worked out in close secrecy by the Pope himself, could well overtake those calculations, changing both the line-up of political lobbies and providing a whole new range of potential candidates for the papa-

"For all we know, the next Pope could be one of these new cardinals," said a senior Vatican official, who spoke in return for anonymity.

At present, the college of cardinals numbers 137, but only 98 of them are "cardinal electors," meaning they are under 80 years of age. Two cardinals will reach their 80th year next month. Of the 30 new cardinals, 24 are under the age of 80.

The Pope said the geographic spread of the new cardinals showed "the universality of the church and the multiplicity of its

Kiosk

2 Die in Shelling

SARAJEVO, Bosnia-Herzegovina

(Reuters) — A suburb of Sarajevo was shelled Sunday evening for the second

day in a row, killing one person and wounding 14. a police officer said.

A day earlier, one person died and

Near Sarajevo

urb of Hrasnica.

Book Review

See POPE, Page 6

east is creating a deep cleavage of interests between France and Germany that may imperil closer political and economic inte-gration, according to diplomats and polin-cians in several European capitals. Once regarded as a vital adjustment to

the new realities of the post-Cold War era, the incorporation of Austria, Norway, Sweden and Finland by the end of this year and perbaps such eastern states as Poland, Hungary and the Czech Republic by the end of the decade is provoking fresh alarm about the strategic consequences of such a dramatic shift in Europe's center of gravity. If the Union ignores Europe's

By William Drozdiak

Washington Post Service

the European Union to the north and the

PARIS - The imminent expansion of

southern neighbors, France and its allies contend, it will do so at the coalition's

EU's Growth Strains Paris-Bonn Alliance

CHANGING TIMES - Prime Minister Tomiichi Murayama of Japan at an armed forces ceremony Sunday where

he backed a strong defense. Mr. Murayama, when he was with the Socialist opposition, often derided the military.

There is a major imhalance to the detriment of the south in favor of the east," said

Jacques Santer deftty settles top jobs in the European Commission. Page 2.

Manuel Marin, a Spaniard who heads the EU development aid program. "The east receives five times as much aid, although the south supplies much of Europe's oil and gas and has sent many more immigrants to work here. It's time to re-estab-

While nobody is talking about revoking offers to prospective members, there is a

new sense of urgency among European governments that something must be done to cope with the centrifugal forces to prevent the Union from reverting to little more than a free-trade area, or even ultimately splitting apart.

"Contradictions are beginning to emerge, and we must prevent them from becoming lethal," said President François Mitterrand of France recently after two days of talks with Prime Minister Felipe González of Spain on the looming impact of EU enlargement.

Worried by the threat of political insta-bility in North Africa, the EU's leading southern states - France, Spain and Italy have demanded that the Union turn its

See EUROPE, Page 6

# Kid Stress, a Symptom of Middle-Class India's Angst

By Molly Moore

Washington Post Service NEW DELHI - Varun Bhartiya was confident that be had answered every question correctly for his school admissions interview. He had practiced for weeks: He knew his name, his father's

job, his mother's job. So his mother was stunned when the prestigious New Delhi private school sent its icy rejection, declaring: "Your child was unable to perform according to the level of the school. Please do not

make any further inquiries."

Varun, at age 3, had flunked his nurs-

ery school entrance test, his first academic setback in a viciously competitive education system.

In India, where the world's fastestgrowing middle class is undergoing pro-found changes in its professional and social expectations, toddler stress has become the latest manifestation of the frenetic race to get ahead.

Parents are imposing great demands on their children to jump-start their educations at earlier ages, hoping to belp the youngsters cash in on lucrative futures in the country's newly liberalized market-

"The middle class's aspirations are growing so rapidly they have realized that the only real ladder to rising economically and socially is through educa-tion," said Shakti Sinha, director of edu-

cation for the New Delhi city schools. Overachieving parents now begin grooming children as young as two and a half for the battery of entrance interviews for admission to the city's most elite private nursery schools. Once in

school, the stress only increases. A recent government-sponsored study found that 86 percent of private schools surveyed assigned an average of four to

11 books to toddlers between the ages of 2 and 3. As the youngsters reach first and second grade, they will tote a nine-pound load of books between school and home each day.

"For the children, it is sheer torture," said Nisha Mehra, a teacher at a New Delhi private school.

The trend has so alarmed the country's educators that the government next year will increase age limits on children entering nursery and preschools. This fall the government recommended, but did not

See INDIA, Page 6

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at least four people were wounded in the shelling of the Muslim-held sub-Page 7. Page 7.

# New EU Chief Puts Imprint on Agency Settling Commission's Top Jobs, Santer Firmly Rebuffs Brittan

By Tom Buerkle LUXEMBOURG - Jacques

Santer, whose abilities were widely questioned when he was chosen in July to succeed Jacques Delors, began answering his critics over the weekend by settling the top jobs in the European Commission and overriding one of the agency's brightest stars, Sir Leon Brittan.

The agreement on an enlarged and reorganized commission, the European Union's executive agency, consolidates more power than ever before in the commission president. Mr. Santer put himself in charge of coordinating foreign affairs, monetary matters and the preparation of a 1996 conference to reform the Union itself.

Just as important as the result was the way it was

Mr. Santer rehuffed a grah for power hy Sir Leon, who hid unsuccessfully for the presidency and fought hard at Saturday's meeting to retain control over EU policy toward Eastern Europe, the biggest challenge in coming years. In rejecting that bid, Mr. Santer enhanced his standing and left Sir Leon contemplating resignation.

"He has maintained his authority, and that is very good for the future," said Manuel Marin of Spain, one of eight returning incumbents.

"He's a good negotiator," said Anita Gradin, Sweden's first commission nominee.

Mrs. Gradin, 61, benefited from Mr. Santer's political skills. At the meeting at Luxembourg's Senningen castle, she argued that Swedish women needed convincing that the Union would promote sexual equality if they were to support EU membership in the comtry's referendum on Nov. 13. So Mr. Santer put her in charge of equal opportunity, as well as immigration and home affairs.

fishing portfolio to Oslo's cide within a few days whether nominee, Thorvald Stoltenberg, the current UN mediator for Bosnia, in a bid to calm the fears of Norway's fishing industry ahead of a referendum there on Nov. 28.

campaigns to win the referendums," Mr. Santer said after-

the job selections, with most in- Norway.

just ask the butler...

cumbent commissioners holding onto the majority of their existing turf.

The key test was Mr. Santer's desire to reorganize foreign affairs along geographic boundaries, abandoning a two-year experiment of dividing responsibility between commercial affairs, held by Sir Leon, and political matters, handled by Hans van den Broek, a former Dutch foreign minister. That split has provoked almost constant friction between the two men.

Mr. Santer had offered to keep Sir Leon in charge of overall trade policy and relations with developed countries like the United States and Japan, while giving Eastern Europe to Mr. van den Broek. But Sir Leon, who has already crafted the Union's current strategy and argued that integrating the East was an essentially economic task, refused to agree.

At Saturday's meeting, Sir Leon even made a last-ditch offer to drop trade policy in exchange for Eastern Europe, according to officials who were present, hut Mr. van den Broek declined to yield.

After what Mr. Santer acknowledged was a long and frank dehate, and with the other nominees evenly split on the issue, one source said he told the gathering: "I've listened to all of this. I stick with my

His colleagues then closed ranks in support.

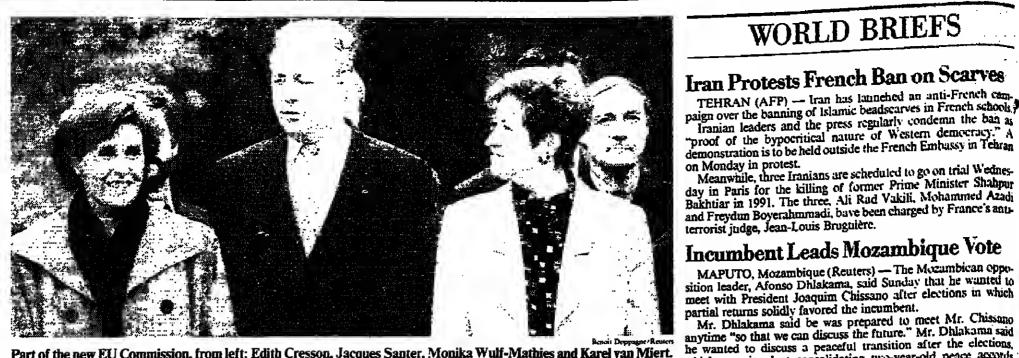
For the Santer camp, surmounting the challenge was vi-tal for his credibility.

A disconsolate Sir Leon met with his staff late Saturday and spoke by telephone with Prime Minister John Major of Britain, who could face a new hattle within his Conservative Party between EU supporters and skeptics if be bas to choose a

A spokesman for Sir Leon Similarly, be awarded the said Sunday that be would deto stay or quit, hut would go to a meeting of EU and East European foreign ministers in Luxembourg on Monday.

Sir Leon's ohduracy surprised his colleagues, given the "I want to give a hand to the importance of his trade post and the need to give up some territory to provide jobs for four new commissioners from There were few surprises in Austria, Finland, Sweden and

> S.I.N.G.A.P.O.R.E THE REPORT OF THE PROPERTY OF THE PARTY OF T



Part of the new EU Commission, from left: Edith Cresson, Jacques Santer, Monika Wulf-Mathies and Karel van Miert.

#### The Commission

LUXEMBOURG The incoming European Commission, which takes office in January, divided responsibilities among its 21 members as follows:

2.1 McMDeTS as IOLIOWS:
Jacques Santer (Luxembours):
President with shared responsibility
for common foreign and security policy, monetary offairs and the 1994 inter-governmental conference.
Manuel Marin (Spain): Relations
with Mediterranean, Middle and Noar
East, Lafin America and developing
Asion economies.

East, Lafin America and developing Asian economies. Martin Bangemana (Germany): In-dustrial affairs. Information technol-opy and telecommunications. Sir Leon Britian (Britain): Reia-lians with United States, Australia, New Zealand, Japan, China, South Ko-rea, Hong Kong, Macso. Taiwan, for-leyn trade, the Organization for Eco-nomic Cooperation and Development and the World Trade Organization, Karel van Allert (Belgium): Compe-tition.

Karel van Miert (Beiglum); Competition.

Hans van den Brook | Neiherkands1:
Relations with East and Central Europe, former Soviet Union, Turkey, Cyrous, Malta and other European countries, and comman loreign and security policy.

Joba de Deus Pinheira (Portugal):
Relations with African, Caribbean and Pocific countries.

Padrala Fivnn (Ireland): Employment and social atfairs.

Marcelina Ortelo (Spain): Institutional affairs, cutture and media.

Edith Cresson (Francel: Science and research, training and campetitiveness.

Ilvaness,
Riti Alerreacord (Denmark): Environment and nucleor security,
Manika Wulf-Mathies (Germany):
Regional policy, structural tunds and
cohesion fund,
Nell Kinnock [Britain]: Transport

policy.

Mario Monti (Italy): Internal mar-ket, financial services, customs and

laxation. Emma Bonino (lioly): Consumer Emma Bonino (Holy): Consumer offairs and humanization old.

Yves-Thibault de Silguy | France1: Economic and monetary offairs.credits and investments and statistics.

Christos Popoutsis (Greece): Energy, Eurotom, smoll and medium-sized firms and tourism.

Thoryaid Slottenbers | Norway1: Etitacies.

Anity Gradin (Sweden); Immiora-tion and judicial affairs and the fight opainst fraud. Franz Fischler (Austria); Apriculture and rural development. Erkkl Lilkonen (Finland): Budset

# **Berlusconi Attacked Over EU Choices**

ROME — Italian cabines ministers have accused Prime Minister Silvio Berlusconi of bungling the nomination of European Union commissioners. and some said he had missed a golden opportunity to make peace with the opposition.

Mr. Berlusconi announced his two choices last Friday after an acrimonious tug-of-war that exposed deep tensions within the government.

Foreign Minister Antonio Martino said over the weekend that the nominations should

By Richard W. Stevenson

New York Times Service

Fayed is the owner of Harrods.

one of the great British institu-

tions. The Egyptian-born ousi-

nessman bas called Britain

home for three decades, and he

has donated hundreds of thou-

sands of dollars to the Conser-

From Mr. al Faved's perspec-

tive, the only reward for his zeal

was to be branded a liar by the

British government, which is-

sued a report in 1990 saying that he and his brother Ali had

"disbonestly misrepresented"

their backgrounds and wealth

during a takeover battle for the

luxury department store in the

He fought to have the report

vative Party.

LONDON - Mohamed al

have been made months ago, and the cabinet spokesman, Giuliano Ferrara, said one candidate should have been chosen from the opposition. "We missed a magnificent opportunity," Mr. Ferrara said

in a letter published in the Milan newspaper Corriere della! Mr. Ferrara, seen as a close

supporter of Mr. Berlusconi, had nacked Giorgio Napoli-tano, a member of the Demo-cratic Party of the Left, for one of the posts.

He said that with the nomi-

Harrods Boss Snipes at Major

appeal, to the European Court of Justice, in Septemher. Mr. al Fayed has spent the

last several weeks doling out

evidence to newspapers here

suggesting that at least three

junior ministers in Prime Minis-

ter John Major's government

had failed to disclose outside

income, gifts and other perks as

One of the ministers resigned

without disputing the evidence.

A second stepped down hut

said he had done nothing wrong. The third, Jonathan Ait-

ken is hanging on, saying he is

innocent. Mr. Major, already

besieged by political problems,

was forced to appoint a com-

mission to look into probity in

Mr. al Faved has long con-

public life.

withdrawn or declared improp-er by the courts, but lost his last elasses were never comfortable

required by Parliament.

Stung by Report, Al Fayed Offers Data on Conservatives

nation of Mr. Napolitano, an exponent of the biggest opposition party, the government would have prepared the ground for serious and credible political dialogue on the rules needed for the healthy functioning of a democracy.'

Mr. Berlusconi finally named Mario Monti, an economist, and Emma Bonino, a member of Parliament for the Radical Party, as the new commissioners. Newspaper commentators said she was appointed in a bid to keep her group within the coalition government.

But he said that the Conser-

vative Party was happy to take more than \$400,000 in cam-

paign contributions from him.

the takeover battle for Harrods in 1985. Mr. al Fayed won the

battle against a rival financier, Roland (Tiny) Rowland, but

Mr. Rowland counterattacked,

contending that Mr. al Fayed

had exaggerated his wealth and

lied about his family history. The Department of Trade and

Industry eventually agreed to look into Mr. Rowland's asser-

The department's report said the wealth of the Fayed family was a fraction of what it

claimed and that most of the

money available to the family

during the takeover came from

tan of Brunei."

their association with the Sul-

The report said that rather

than being "members of an old established Egyptian family

who for more than 100 years

were shipowners, landowners

The dispute has its roots in

Algeria-Muslim Contacts at Impasse ALGIERS (AP) - Fear of an escalation in violence was heightened Sunday after the government announced an impasse in contacts with Muslim fundamentalists, who urged its militants

which ended 16 years of civil war.

WORLD BRIEFS

Iranian leaders and the press regularly condemn the ban as

Meanwhile, three Iranians are scheduled to go on trial Wednes-

which are aimed at consolidating two-year-old peace accords

percent of 6.4 million registered voters in the southern African

nation of 16 million people cast their ballots, and early returns from pro-government areas showed Mr. Chissano winning over-

The independent National Electoral Commission estimated 90

to fight on.
"The events risk multiplying," La Tribune, an independent
daily, said Sunday after President Liamine Zeroual announced the night before that the military-backed government and the opposi-

tion "unfortunately remain far apart. More than 10,000 people have died since the Islamic Salvation Front was blocked from an imminent election victory in January 1992 amid public frustration with corruption and high unemploy-

Rocket Barrage Kills 12 in Kabul

ISLAMABAD, Pakistan (Reuters) — Opponents of President
Burhanuddin Rahbani of Afghanistan fixed 43 rockets into Kabul on Sunday, killing 12 people and wounding 27. Kabul radio said.

The broadcast, monitored in Islamabad, blamed the rocketing on the militia controlled by Mr. Rahbani's opponent. Prime Minister Gulbuddin Hekmatyar.

The rocketing was the worst reported by the official press since a partly observed truce was announced on Tuesday. Factional with a foreigner, especially an Egyptian, owning Harrods. fighting has killed more than 12,000 people in Kabul since the mujahidin took power from a collapsed Communist government in April 1992 after 14 years of civil war.

#### Colombians Vote in Flawed Election

BOGOTA (Reuters) - Colombians voted Sunday in elections for more than 12,500 mayors, provincial governors and city councilors. But polling in eight municipalities was canceled because of violence during the campaign that has left more than two dozen people dead.

Despite government pledges to cancel the result of any r where the country's powerful drug traffickers and rebels try to influence the vote, newspaper and television accounts have reported that cocaine cartels, paramilitaries and guerrillas are well advanced in their plans to consolidate control in various areas.

In the most serious incident before the elections, five soldiers,

four rebels and one civilian were killed when rebels ambushed a military patrol on Saturday near Sabana de Torres, about 240 miles (400 kilometers) north of Bogota.

#### North Korean Generals Support Kim

SEOUL (AP) — North Korea's military has pledged loyalty to Kim Jong II, a day after the nation's beir apparent made his first reference to his role as Communist leader, an official report said

Generals of the Korean People's Army declared that they "would remain loyal on upbolding the leadership of respected General Kim Jong II," the Korcan Central News Agency said. Saturday, and Mr. Kim's promise to carry on his father's revolu-

begun to take power, analysts said. TRAVEL UPDATE 14

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From Polith

# Charles's Take on Hollywood

# And His Biographer Denies Prince Didn't Love Diana

In this Tuesday's tive with great sex appeal."

The New York Collections





Reuters the journalist Jonathan Dimb-LONDON — Prince leby, serialized in The Sunday charles, whose revelations Times of London, bas so far Charles, whose revelations about his marriage and his fam-ily have rocked Britain, says in told of his affairs with Camilla Parker Bowles, of his marriage with Diana and of his domithe latest excerpt from a new biography that be found Barbra Streisand "devastatingly attrac-

In the extract, he speaks of his romance with Hollywood, saving that he met Frank Sinatra, who "looked like Tonto, dressed in yellow leather."

Joan Collins had "an unbe-

lievable cleavage all raised up and presented as if on a tray,"

The authorized biography by

Fire raged through a market in Khartoum, destroying about 100 shops and causing millions of dollars in damage, a news report said Sunday.

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Fire Damages Sudan Market broken down permanently. Agence France-Presse

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neering father, Prince Philip. Mr. Dimbleby said Sunday he had never loved Diana.

that Charles had never said that Charles had heen widely quoted as saying that be felt pressured into a loveless, failed

marriage by Prince Philip, while still infatuated with Mrs. Parker-Bowles, an army officer's wife.

Mr. Dimbleby's book says that Charles and Camilla had three separate affairs, two before be married and the third when he felt his marriage had Diana was reported crushed

to learn that he never loved her at the time of their wedding. Mr. Dimbleby's defense of Charles apparently placed him at odds with The Sunday Times, serializing excerpts of his book.

Two weeks ago, publishing the first extract, the paper's

hanner headline on its front page read: "Charles: My Agony After Being Forced into a Loveless Marriage — Authorized Biography Reveals Ultimatum from Prince Philip."

Prince in Los Angeles Prince in Los Angeles "It is not in the book," Mr. Dimblehy said on BBC televi-

ferred in the book in any way." The book, to be published on Thursday, is tailored to give the prince's views on monarchy, his marriage and his philosophy.

The book says Charles is more content than he bas been for many years, after his separation from Diana.

The prince is quoted as saying on the monarchy: "It is considered in the country at large that there are too many of the royal family and too much public money being spent on them. Would it not be better to sit down and examine how many members of the family you actually need?"

The book says the prince, not even in moments of despair over his personal life or press coverage of it, contemplated surrendering what he considered his inescapable duty to succeed Queen Elizabeth, nor has he ever favored abdication.

He dotes on his sons, William and Harry, according to Mr.
Dimblehy, who said: "He has been deeply hurt by media lies that he is distant and unloving

Prince Charles is to begin a five-day visit to Los Angeles on Dimblehy said on BBC televi-sion. "It was not in the extracts." Reported. He is expected to visit So far as I know he's never said projects intended to rejuvenate it. I never attributed that to inner-city areas in the wake of him. I have never heard anyone the 1992 race riots.

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and industrialists in Egypt," as they claimed, the Fayeds "came from respectable hut humble origins and are the sons of a

Mr. al Fayed called the re-port "wrongheaded and un-fair." Then he went to his own files for information on prominent politicians he has dealt with over the years.

■ Treasury Aide Under Fire Mr. Aitken, under pressure about a Paris Ritz hotel hill, faced a fresh newspaper allega-tion on Sunday that he failed to declare a company directorship for more than a decade as a member of Parliament, Reuters reported from London.

The Mail on Sunday alleged that the Treasury chief secretary had admitted withholding from Parliament details of a company he ran with two Arab

On the latest allegation, Mr. Aitken told the Mail: "I did not register it because it was too small to matter. It lost all its money almost immediately and I earned nothing from it."

#### 9 Hong Kong Police Seized

HONG KONG - Nine police officers including a senior inspector have been arrested after accusations that they took bribes for protecting vice establishments, Hong Kong's top anti-corruption agency report-

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tionary ideas, were signs that the son of President Kim Il Sung has

# Big Ben: Leaning Tower of London?

LONDON (Reuters) — The British Parliament's Big Ben clock tower is starting to tilt slightly and could become London's own leaning tower. Exploratory tunneling work for an extension to the Jubilee line of the Underground nearby is responsible, British newspapers reported on Sunday.

They quoted engineers as saying that the 135-year-old clock tower housing the mellow-toned bell, which chimes in BBC radio news hroadcasts, had already shifted three millimeters (0.12 inch) to the east over the last two weeks.

But the clock tower has a way to go to compete with Italy's 12th-century Leaning Tower of Pisa, which tilts about five meters (16 feet) off the perpendicular. Settling of the subsoil and defective foundations have been hlamed for that tilt. The authorities closed the Acropolis in Athens to bundreds of

tourists on Sunday after a lone protester, Nikos Martinis, 35, who was staging a sit-in on scaffolding above its entrance, threatened to throw objects at passers-hy. Greece's most famous archaeological site had reopened Friday after being closed for more than three weeks because of a strike by Culture Ministry employees. (AP)

### This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays: MONDAY: France, Ireland, Madagascar, Philippines, Poland, Slovenia,

TUESDAY: Algeria, Austria, Belgium, Benin, Bolivia, Brizil, Burkina Faso, Burnali, Central African Republic, Chad. Chile, Congo, Croatia, France, Gabon, Germany, Guatemala, Haiti, Italy, Ivory Coast, Lebanon, Liechtenstein, Luthuania, Luxembourg, Madagascar, Mexico, Monaco, Peru, Philippines, Poland, Portugal, Rwanda, Senegal, Slovenia, Spain, Switzerland, Togo, Vatican City.

WEDNESDAY: Belarus, Bolivia, Brazil, Ecuador, El Salvador, Haiti, Luxnbourg, Macao, Mexico, Singapore, Sri Lanka, Uruguay, Vatican City. THURSDAY: Ecuador, Japan, Liberia, Panama,

FRIDAY: Andorra, Panama, Vatican City.

SATURDAY: El Salvador, Sweden.

Sources: J.P. Morgan, Reuters.

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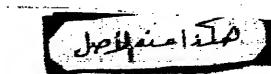
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# THE AMERICAS / DOWN

# Once a Republican Sure Thing, Nov. 8 Is Looking More Like a Horse Race By David S. Broder Washington Post Service At least 100 House districts, soread across the

paign enters its final eight days with an extraordinary number of close races -so many that the Nov. 8 results could add up to a historic Republican sweep or the Democrats dodging a big bullet.

ambique la Early on, Republicans, exploiting public discon-tent with incumbents, expanded the battlefield into many normally safe precincts to unreasent many normal many normally safe precincts to unreasent many normal many n

gubernatorial fights is higher than normal - some ones to beat.

country from Maine to California, are in play. Nine or more Senate races - more than enough to decide which party controls that chamber - are too close lo call. And 16 governorships — including the giant prizes of New York, Pennsylvania, Texas and Flori-

da — are in the same category.

There are many individual factors at work, but interviews point to the intersection of two large forces. Throughout the year, a rising tide of voter anger at incumhent politicians in Washington and the state capitals opened far more contests than

But one by one in the last two weeks Democrats front-runners emerging as voters begin to focus on have fought their way back into their races — tract" signed Sept. 27 by more than 300 incumbents budgets.

"I think we have turned a corner," said the Demo-

tor, Joan N. Baggett, both said the process had been and California.

plished since Mr. Clinton's election.

ton's approval rate has bolstered those individual until then were invulnerable to crincism because

they had never held public office."

The Republican National Committee chairman, cratic National Committee chairman, David Wil- Haley Barbour, offered a different explanation for helm. "We have gone from a period of protest and discontent to a period where people are focusing on the real choice of ideas and alternatives."

the Democratic recovery, pointing to "a wave of personal attacks" on threatening challengers like Mitt Romney and Michael Huffington, the Republithe real choice of ideas and alternatives."

Mitt Romney and Michael Huffington, the Republican nominees in Senate contests in Massachusetts

driven by two events.

In House races, Mr. Barbour added. Democrats are exploiting the incumbents' often overwhelming financial advantage to bury the opposition in negausual to aggressive challengers, most of them Republicans. Often, those challengers did so well in the early going that they established themselves as the and Los Angeles, where local television time can he The second, they said, was the "Republican con-murderously expensive for candidates with limited

Nonetheless, Mr. Barbour said, "80 percent of the close races are being fought on Democratic territory," meaning that the best Democrats can hope for 15 to retain offices they already have.

That is dramatized in the gubernatorial elections. While Republican incumbents appear to be comfortably ahead in Illinois, Ohio, Michigan, Massachusetts and Wisconsin, among others, Democratic governors are holding on for dear life in such other large states as New York, Texas, Pennsylvania, Florida and Georgia.

Similarly, in Senate races, eight of the nine closest contests are for seats now held by Democrats in Tennessee, where two seats are at stake, and in California, Michigan, New Mexico, Oklahoma, Pennsylvania and Virginia. Only the open Republican seat in Minnesota breaks the monotony of the patlem.

# the state of the s After Crash, Navy Defends Women Pilots

By Eric Schmitt New York Times Service

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the age are a repeated and a second and a se death of one of the navy's first Lieutenant Kara Hultgreen. Tribune, an index the roles available to women, roles for women in general. even though the cause of the accident is not yet known.

Navy officials from Honolulu to Washington are going out WASHINGTON - The of their way to defend the pilot. female combat pilots has rekin- against what they say are spuri-

dled tensions within the mili- ous accusations about her flight tary over the decision to expand record — and to defend the new

ing questions about her flight

As friends, relatives and a high-level delegation of navy officers gathered Saturday in San Antonio at a memorial ser-Several news organizations in vice for the 29-year-old aviator, Southern California have re- many expressed anger at the

ceived faxes, apparently from largely anonymous campaign to disgruntled male aviators, rais-"She was very highly regard-

ed," said Lieutenant Matthew Klemish, the plane's radar-intercept officer, who ejected safely. He declined to discuss Tuesday's accident.

The accusations underscore the depth of resentment some male pilots still feel toward permitting women into their onceclosed fraternity.

"I'm embarrassed by all this," said a senior navy officer based in Hawaii. "This doesn't make the navy look like a very solid institution,

Investigators suspect engine problems caused Lieutenant Hultgreen to lose control of her F-14 Tomcat and crash into the sea as sbe was preparing to land on the aircraft carrier Abraham Lincoln 40 miles (65 kilometers) southwest of San Diego.

But they cannot be sure whether mechanical problems or pilot error were to blame until the plane is raised from the ocean floor. Her body has not been recovered.

A lot is at stake in this inquiry. Some male pilots have complained that the first group of women allowed to fly combat missions since the Pentagon lifted a ban last year bave received preferential treatment from a navy hierarchy eager to push them through the training pipeline to erase the stain of the Tailhook sexual harassment scandal. Navy officials ada-

mantly deny this.

The crash also underscores that even in peacetime, operat-ing complex weapons of war is a hazardous business. Ten F-14 aviators have died in training accidents since 1992.

Investigators initially thought Lieutenant Hultgreen went down with ber plane. But navy videotape of the accident showed that as her F-14 rolled sharply to the left, she was ejected down into the water moments after Lieutenant Klemish was ejected clear of the plane. Investigators believe she died instantly.

By nearly all accounts, Lieutenant Hultgreen was handling the pressure of her pioneer position with aplomb. In April, she narrowly failed on her first attempt to qualify for carrier missions. Navy officials say about 25 percent of all pilots fail on their first try. But in July, Lieutenant Hultgreen passed easily. and was assigned to Fighter Squadron 213, an F-14 unit at Miramar Naval Air Station in

San Diego.
"We were a little apprehensive at first about women driving the plane, but she got ahold of that thing and knew what she was doing," said Captain Tom Sohieck, who commanded Lieutenant Hultgreen's F-14 training squadron.

Lieutenant Hultgreen warned her superiors against allowing any leniency loward women. Rear Admiral Robert Hickey, commander of the Nimitz carrier battle group in San Diego, recalled the lieutenant telling him last year: "Guys like you have to make sure there's only one standard. If people let me slide through on a ver standard, it's my life on the line. I could get killed."

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#### Mexico Baits Golden Bear

MEXICO CITY - Responding to nationalist outrage here over California's Proposition 187, the Mexican govcrnment is sponsoring a delicate but concerted campaign to defeat the state ballot measure without violating a cherished policy -- noninterference in other nations' internal affairs.

In recent interviews, Mexico's point man on the issue, Deputy Foreign Secretary Andres Rozental, has condemned the proposal to deny public services to undocumented aliens in the Golden Bear state and confirmed the Mexican government's formal efforts to fight it.

But in defining Mexico's strategy to block an initiative that might affect hundreds of thousands of undocumented Mexicans in California, Mr. Rozental also was concerned about the balancing act facing this nation, most affected by the proposal.

At the core of Mexico's argument, Mr. Rozental and Foreign Secretary Manuel Tello agreed in separate interviews, is the belief here that Mexicans in California are being used as scapegoats for an economic crisis that is unrelated to undocumented migrants. (LAT)

#### **Clinton Cross-Country Run**

WASHINGTON - President Bill Clinton plans a nearly nonstop week of campaigning for Democratic candidates, beginning Monday and probably lasting until an election that will shape his next two years in office, according to White House officials.

*POLITICAL NOTES* 

The grueling cross-country swing is an effort to make up for a lost week of campaigning jettisoned in favor of the president's visit to the Middle East last week. Focused on tight races in states where the White House hopes that Mr. Clinton's presence can add a last-minute hoost, it reflects increased White House opumism that the Republicans may indeed — as Mr. Clinton suggested recent-

ly — have peaked too soon.

White House Chief of Staff Leon E.

Panetta said Mr. Clinton's campaign events "turned him on" and described the president as eager to return to the campaign trail.

The schedule keeps Mr. Clinton away from the Southern and Rocky Mountain states where there are important close races but Mr. Clinton's popularity is relatively low. But it includes stops in most other regions of the country, including states where some candidates notably a Democratic Senate candidate in Michigan, Bob Carr - had previously shied away from being seen with the president.

#### Blacks Sour on Democrats

PHILADELPHIA - If this is the season of voter discontent, it is particularly true among black voters, who have long been the most dependable Democratic partisans, casting 82 percent of their ballots for Mr. Clinton in 1992, and 89 percent for Democratic House candi-

Though black voters are not about to

defect to the Republican Party, many say that as they watch their neighborhoods fall to neglect, they have no patience for the new tough lines from Dentocrats on crime and welfare, which

many interpret as anti-black. "All I hear is these Democratic candidates talking about the crime bill," said Chris Williams, 46, an iron worker. "But why do they talk about just building jails? Why don't they talk about building schools? That's not asking a lot."

Unlike other loyal Democrats, many blacks said in interviews that they had not soured on Mr. Clinton. They gave hint credit for intervening in Haiti and for trying on issues like health care, Still, their bottom-line was that Washington seemed to have done little to help them out. They said that they felt neglected and that Democratic candidates were not even making an elfort to get them to

"What politicians offer blacks is no good to us," said Willie A. Parham, 25, a maintenance worker in Richmond, Virginia, who, after voting in previous years, has no interest this year. "It's like " the Janet Jackson song, What Have You Done For Me Lately?" (NYT)

#### Quote/Unquote

Richard Griffin, assistant Secret Service director for protective operations, on the gunlire at the White House: "1 ... would not characterize this as an assassi- 1.3 nation attempt at all, no way. The president was in no danger, whatsoever."

# \$1.7 Million Tailhook Award

Paula A. Coughlin, left, and her mother Rana, center, leaving Las Vegas court.

### Hotel Found Negligent in Not Protecting Navy Woman

By Kenneth B. Noble

New York Times Service LAS VEGAS - Concluding that the Las Vegas Hilton Hotel was negligent by failing to set up adequate security during the Tail-hook Association's bawdy 1991 convention here, a jury has awarded \$1.7 million to a former navy lieutenant who was among several dozen women sexually assaulted at the gathering.

The victory by former Lientenant Paula A.

Coughlin seems certain to set the stage for at least a dozen other lawsuits against the Hilton, the site of the gathering by aviators that led to navy and Pentagon investigations that concluded that 83 women had been assaulted or at least harassed by naval aviators at the Hilton Hotel,

The decision to award compensatory damages for Ms. Coughlin's emotional distress came on the second day of deliberations by

the four-man, four-woman jury.

The jury is scheduled to return Monday to decide whether Hilton must pay punitive damages to Ms. Coughlin. Hilton's lawyer, Eugene Wait, was told to bring financial

**Away From Politics** 

• A fire fighter was killed and another was

injured in Newark, New Jersey, when they

came into contact with a high-tension electri-

cal wire while battling a two-alarm house fire that had already killed a resident, the authori-

Two federal agents have been fired for their

roles in leading the raid on the Branch Davi-dian cult leader David Koresh and about 100

of his followers. The Bureau of Alcohol. To-

bacco and Firearms fired Charles Sarabyn

and Phillip Chojnacki, both based in Hous-

ton. The men, who deny any wrongdoing, led about 100 agents in the Feb. 28, 1993, raid near Waco, Texas, during which Mr. Koresh

was to be arrested on weapons charges. Four

• The number of violent crime victims in the

United States increased by nearly 6 percent in

agents and six cult members were killed.

statements from Hilton Hotels Corp. to court for the jury to evaluate

Ms. Coughlin, 32, a helicopter pilot and former aide to Rear Admiral Jack Snyder, resigned from the service on May 31, saying she had endured unrelenting pressure because of her complaint.

Her suit accused the Hilton Hotel here of failing to provide proper security even though many of the 19 previous Tailhook conven-tions beld at the hotel had turned into weekends of drunken debauchery. Ms. Coughlin had also sued the Tailhook Association, but settled for an undisclosed amount days before the trial began.

Ms. Coughlin set off a storm in the military when she said publicly that she had been assaulted at the convention. There was no dispute during the seven-week trial that Ms. Coughlin had indeed been groped by drunken male aviators in a crowded third-floor gaunt-

Lawyers for the defense had suggested that Ms. Coughlin bad been a willing participant in some of the debauchery.

1993, continuing a seven-year upward trend,

according to a Justice Department report.

The annual survey found that the increase

stemmed mainly from more attempted as-

saults and robberies. The survey also showed

there were almost 500,000 sexual attacks last

year, including 160,000 rapes, 152,000 at-tempted rapes and 173,000 other sexual crimes. Other assaults, including domestic

violence, were up about 8 percent. More mur-

ders and a wave of drug-related incidents with

deadly weapons have been cited for the higher

• Despite growing public suspicion against a South Carolina mother who claims her two

sons were kidnapped in her car, she is not a

said Susan Smith had failed a lie-detector test.

suspect in the case, the police said. Reports

NYT. AP. Remers

violent crime rate since 1986.

# Street Frenzy Chokes Haiti's Capital

By Tod Robberson

istide's restoration to power here two weeks ago, following the departure of the military leaders who ousted him in a earlier that year.

huge crowds vying for the are much sought-after among choicest trash. And at City Hall poor Haitians. and the National Palace, officials appear to be baving little success in controlling the tur-

"This is more than anarchy," Mayor Evans Paul said in an interview Saturday. "It's not the population itself, but rather the government that is anar-

This is a city that has not

been properly run for more be found. than 40 years," he said. Although the number of U.S. soldiers has dropped to about 16,000 from the nearly 20,000 who began deploying here Sept. 19, their presence continues to add two elements of confusion

on the streets: garbage and traf-

Garbage has become a coveted commodity among impover-ished Haitians, and competition for the choicest refuse has spawned conspiracy theories. One has it that businessmen are conspiring to steal all the good trash, that from the U.S. troops, and sell it to profiteers.

"Everybody wants it because the American garbage is bet-ter," said Lasleur Dieunor, a 19year-old garbage picker. "The American trucks aren't coming here like they used to."

dump a few days ago provoked prevent the truck from torn apart.

"People complain that the quality of the trash is going 1991 coup, has unleashed a down because the trucks aren't kind of upbeat chaos on the coming around anymore," said streets of Port-au-Prince not the U.S. Embassy spokesman, seen since he was inaugurated Stanley Schrager. "I keep getting calls from people wanting Boulevards are clogged with to know what we're doing with army trucks and resurrected all the MREs." The military's wrecks. Garbage dumps draw Meals Ready-to-Eat packets

> The daily scavenger hunt at the dump is a far cry from the scene there six weeks ago, when the bullet-riddled bodies of two children were discovered among the heaps of garbage. Now, lucky scavengers are uncovering raincoats and U.S. Special Forces T-shirts. And there are still hundreds of MRE packets, some still unopened, to

The empty foil packets are being used as ashtrays, roof patches and hats, among other things. In the southern port town of Jacmel, a civilian converted one into a wallet.

ment contracts to haul the trash away. It is common to see work- Haiti's military regime pushed of the U.S. Agency for Interna-tional Development shoveling spin. Add to that the thousands garbage from an open sewer, while barely a mile upstream, other workers shovel collected refuse into the same canal. Thus, a seemingly endless source of employment is creat-

Traffic in Port-au-Prince has never been worse, longtime residents say. Thousands of military vehicles ply the streets in huge convoys, causing milelong traffic jams several times a day. Crowds form around troops who, in full combat gear, patrol the streets on foot or atop vehicles, distributing literature ex-plaining why U.S. troops are in Haiti. Other troops man machine-gun nests outside government buildings, spending much of their time politely asking civilians to leave them alone. The Haitians rarely comply.

"We want to get oot of here as soon as possible," a U.S. offi-

Elsewhere in the city, piles of cial said. "The Haitians want us Washington Post Service

Washington Post Service

Such a delighted frenzy of pillaging that U.S. soldiers had to
be be being the president partial part of the president partial par trucks hired under U.S. govern- years, largely because commercial embargoes imposed on

> of parents who are now driving their children to newly reopened schools, and a two-mile drive through town can take up Street vendors, motorists and pull-cart operators all compete for precious space on city

> streets with beggars, money changers, car repairmen and poor Haitians who use gutter water to batbe. Still another cause of the city's snarled streets is the newly retrained and user-friendly Haitian police force. Once reviled as a notorious human rights abuser, the force is being screened and retrained by spe-

cialists from the U.S. Justice Department. Their guns have been handed in. They wear crisp white gloves as they walk the streets under tight American supervision, directing traffic and helping civilians in distress.

# Wilbert Harrison Dies, Sang 'Kansas City'

The Associated Press SPENCER, North Carolina

- Wilbert Harrison, 65, whose song "Kansas City" became one of the most famous songs of the early rock-and-roll era, died Wednesday of a stroke.

military garbage truck at the tune "K. C. Loving," was also 1956.

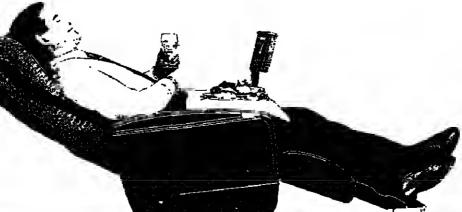
performed by the The Beatles,

Mr. Harrison started per-Carolina. After four years in the "Kansas City," recorded in navy, he lived in Miami, where 15 minutes in 1958, topped the he won a local amateur show six pop charts for two weeks in straight times. He cut records May 1959, and was by far Mr. over the next several years, but over the next several years, hut The arrival of an American song, a version of the old blues moved back to Charlotte in

Two years later, he was invit-James Brown and Ann-Mar- ed to come to New York and record a few songs for a recordlabel owner. At the end of the forming at age 16 at clubs in his hometown of Charlotte, North for 15 minutes of extra studio time to cut one more song --

> Devendra P. Varma, 71, a scholar of English Gothic tales and a connoisseur of vampire lore, died Oct. 24 of a stroke in Merrick, New York.

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# Herald Cribune

# A Slow Start for Aristide

by three years of enforced exile, the Reverend Jean-Bertrand Arisude had ample time to think about bow and where he would lead Haiti once he got back. Yet two weeks after his return, key cabiner jobs remain vacant and the government has offered only a vague blueprint for the remaining 16 months of its mandate.

It is obviously impossible, in such a short time, to fulfill the material hopes placed in this government by the millions of poor Haitians who elected it, suffered for it and patiently awaited its return. All the more reason for Father Aristide to encourage thinking about longer-term economic prospects to assure people that today's sacrifices are not in vain.

He has named a new prime minister, Smarck Michel, a businessman and longtime associate. But the rest of the cabinet consists of holdovers from the caretaker government of Robert Malval, who resigned almost a year ago. The most important ministry, justice, remains vacant.

Mr. Michel is a bridge between the president and the largely anti-Arisude business elite. The gesture is important, but Mr. Michel wields far less influence among business leaders than, for exam-ple, Mr. Malval. Without embracing people who do not share his commitment to the poor, Father Aristide needs to reach out further to progressive business leaders and members of Parliament who would work with him if he asked.

In that regard, the president's harmo-nious meeting Thursday with a broad spectrum of political leaders was an encouraging sign. Hain's most urgent prob-lems are establishing political stability, demilitarizing the streets and reconciling factions divided mainly by personalities

and history, not ideologies of left or right.

The only other clue to the government's intentions is a strategy statement drafted by Father Aristide's economic consultants who met with international financial institutions in August. The consultants told the bankers what they want-

With his presidential term interrupted ed to hear. The statement offers the usual pieties about budgetary austerity, tariff reduction, getting government out of the marketplace and shrinking bureaucracy. Many of these goals are worthy, but the plan makes little attempt to reconcile them with Haitian realities, leaving the impres-sion that it is intended mainly for foreign

consumption, not actual application.

Given Haiti's extreme problems of mass poverty, physical intimidation and lack of legal accountability, the government cannot just pull back and expect private institutions and markets to function as they might elsewhere.

If Haiti is to find a place in the regional economy, it must be based on a realistic appreciation of what role a country with limited resources can play. Perhaps Haiti will want to compete with other Caribbean countries as a tourist destination, or try to rebuild the export assembly industries it began to attract in the late 1980s. The government cannot make these decisions on its own, but all are politically sensitive. By facing up to them now, the Aristide government can smooth the way to their future acceptance and offer peo-

ple some concrete hope of a better future.

The diciest problem is creating, for the first time in Haitian history, a justice system worthy of the name. That will involve hiring and training a new civilian police force almost from scratch and thoroughly reforming the courts. And some credible way must be found to investigate crimes committed during the dictatorship, to channel popular anger away from street vengeance. The first step is naming a respected justice minister.

The wisest strategy for Washington right now is to resist all temptation to let U.S. forces step into roles that Haitians themselves must play. For his part, Fa-ther Aristide can show his appreciation to President Bill Clinton by moving as swiftly as possible to rebuild a Haiti that can stand on its own and let those 16,000 U.S. troops speedily return home.

- THE NEW YORK TIMES.

# **Legacies of Soviet Decay**

Russia bas become accident-prone, Now a huge oil spill has developed near the city of Usinsk, just below the Arctic Circle, where a decrepit pipeline has been leaking for months. Despite the leaks, the Russians have continued to try to use the line because they badly need the oil.

This spill has much in common with other recent industrial accidents and ecological disasters in Russia. Their origins lie in the last 15 years or so of the Soviet regime, when the pressure of a growing economic crisis led to a reckless emphasis on production with no thought for even minimal maintenance, safety standards or protection of the environment. The Soviet Union is gone, but the people who have inherited its industrial structure are desperate for fuel and export earnings. They understand the risks in continuing to use defective equipment, but they cannot afford to shut the country down for repairs.

Russia's oil production last summer was around 6 million barrels a day, according to the International Energy Agency — barely balf the level of the peak a decade ago. But one-third of that production goes abroad, and Russia remains one of the world's major exporters. Keeping up that flow is crucial to the country's financial plans. At least the oil spill represents only a slight threat to human health. That is not true, unfortunately, of the water pollution throughout the former Soviet Union. Nor is it true of the nuclear hazards.

In Uzbekistan, the Aral Sea has shrunk to balf its former size because of the diversion of two rivers to irrigate cotton fields. Those rivers are poisoned with sewage and pesticides, and that seems to be related to the soaring rates of tuberculosis and other diseases, but it will not be remedied soon. Cotton is Uzbekistan's leading export.

As for nuclear energy, Russia is still using 11 reactors of the Chernobyl type. In Ukraine, at Chernobyl, site of the 1986 catastrophe, two of the original four reactors are still producing power. Both are down at the moment, one for maintenance and the other because of a recent accident. But they will both be in operation this winter. Ukraine needs the electricity.

The West bas promised belp with the cleanup and upgrading and prevention. But so far the promises have produced little more than redundant reports by consultants. In most cases, like the leaking oil line, everybody knows what needs, to be done. But doing it is formidably expensive and will require decades.

-THE WASHINGTON POST.

## **Other Comment**

#### Sharpen the Message for Assad

Given the chance to condemn terrorism publicly during his joint news conference with President Bill Clinton in Damascus last week, President Hafez Assad of Syria chose instead to maintain an aloof silence. Asked about his own country's role in sponsoring and harboring terrorists, he could do no better than lamely assert that no one can prove Syria's guilt in these matters. These are not encouraging responses from the leader of a country that, this year as in years past, occupies a prominent place on the U.S. State Department's list of countries involved in terrorism.

That Syria is officially condemned for state terrorism means that Mr. Clinton assumed certain political risks when he decided to honor Mr. Assad by visiting him in his capital. Mr. Assad, while clearly relishing the honor, did nothing, however, to help out his visitor. He denied that the subject of Syria's terrorism came up in his three or four hours of talks with Mr. Clinton. Mr. Clinton indicated the issue did come up, but be does not seem to have pressed it forcefully. No doubt his rationale was that in the limited time available be wanted to focus on what Syria could do to move its peace negotiations with Israel along. Still, it's obvious Mr. Clinton missed a rare opportunity to

make it clear that so long as Syria plays the terrorism game its relations with the United States will suffer.

It bas been left to others to make that point, most immediately to Senators Patrick Leahy, Democrat of Vermont and member of the Foreign Relations Committee, and Dennis DeConcini, Democrat of Arizona and member of the Intelligence Committee, Both accompanied Mr. Clinton to Damascus. Both also indicated after the Clinton-Assad meeting that they would oppose better relations with Syria until Mr. Assad acts to shut down the terrorist groups whose headquarters he permits in Damascus and to stop aiding Hezbollah, which operates out of Syrian-controlled southern Lebanon and receives a steady flow of Syrian arms and explosives.

Mr. Assad has always been shrewd in keeping his options open. Presumably he continues to regard Syria's association with terrorism as one more card to play in the long poker game of Middle East polirics. If he ever gives it up, he will want something of high value in exchange. He has things backward. What Washington should make clear is that first Syria must end its involvement with terrorism, then it will be possible for the United States to consider a closer bilateral relationship.

- The Los Angeles Times.



International Herald Tribune KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER

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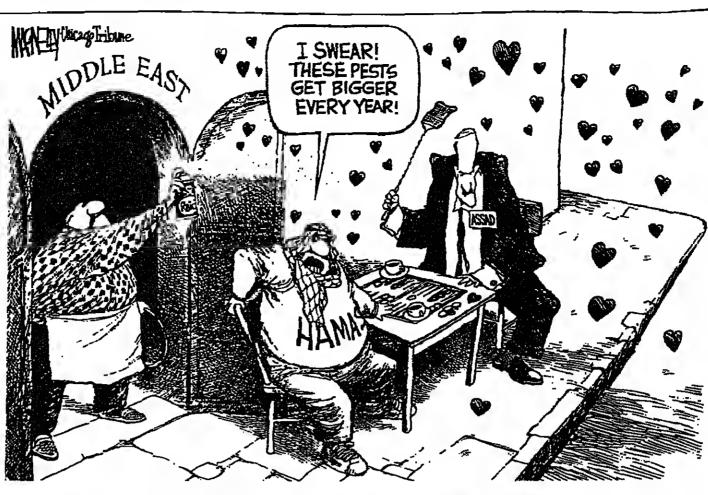
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# America on the Golan? A Debate to Watch

WASHINGTON — With President Bill Clinton having now taken the —very hard — road to Damascus, it is late in the day but still essential to review a particular item he brought there and to Jerusalem as well. This would be a U.S. commitment to help keep the peace that is meant to emerge if Israel and Syria agree on the terms by

which the Golan Heights go back to Syria. It sounds brave and New Age: American soldiers in their own or perhaps UN helmets locking up the last strategic piece of the Arab-Israeli jigsaw. The momentum that such an offer could be expected to lend the oeace process is what took the Clinton administration to this place, Secretary of Defense Wil-

liam Perry told some of us last week. To get there, however, the administration had to clamber over some hurdles. One. Mr. Perry indicated, was awareness of a historic Israeli interest in maintaining the option of preemptive attack in a crisis — an option that international forces might crimp. A second was the "schism" between Israeli settlers and the government on what kind of a settlement the country eventually wants. "In many ways, that's one of the biggest problems we would have in trying to enforce any kind of a peace agreement," said Mr. Perry. In fact, the American and Israeli debate

— is there any debate in Syria? — goes to the tender core of post-Cold War regional stability. The United Nations is in a phase on peacekeeping where its resources have been stretched thin, its capabilities often found wanting and its self-confidence much dimmed. Hence the impulse of Israel —

By Stephen S. Rosenfeld

whose arms, grit and friendship with America give it a rare opportunity for national choice - 10 shop for something better.

In these times of selective American taste for new foreign entanglements, you might be surprised to find much interest either at home or abroad in an American Golan role. The emphasis in official U.S. peacekeeping policy now rests on Lite Interventions, operations that the United States could slip out of fairly quickly and easily if trouble arose. This would seem to be the precise opposite of the constancy that effective peacekeeping in the Mideast requires.

Still, there is an evident market for U.S. engagement. The Labor government of Israel has set aside some part of the oation's traditional favor for direct military self-reliance. It seems ready for the company of U.S. "monitors" on Golan, the better apparently to persuade the Israeli public to make the requisite territory-for-peace exchange, Syria is easier to figure. An American presence on Golan promises it a measure of additional protection against Israeli military threat and a filter of sorts against what is for it the hard requirement of broad contact with Israel.

Israelis and Syrians are entitled to their views. So are Americans, Some sensible thoughts come from the bard-line Center for Security Policy in Washington; its report is signed by Richard Perle, a former Reagan Fentagon aide, and other military and civilian formers. Debate the question now, the

report urges, before an administration commitment hardens beyond the means of the public and Congress to affect it. And note the difference from Sinai, where peacekeeping has been successfully uneventful for 15 years: Golan is small, close, strategic and populated, and Syria's leader now, unlike Egypt's then, basn't put his beart into peace,

A key finding on a sensitive issue often muffled: The presence of U.S. troops on the Golan would increase the likelihood of U.S. opposition to preemptive military action by Israel, no matter how urgent or well advised. The standard American tendency to disapprove military action would be reinforced powerfully by solicitude for the U.S. peacekeepers. Hence, the effect of the U.S. deployment might be the opposite of that intended: It could reduce fear of Israeli preemption among potential Arab aggressors

The conclusion: "There is no mission or rationale for a U.S. peacekeeping force on the Golan that would justify the resulting costs and risks. ... A deployment would increase the danger of direct U.S. involvement in a future Middle East war and undermine Israel's standing with the U.S. public as a self-reliant ally."

You can look at the institute that delivered this report partly as a Washington outpost of Israel's Likud opposition. Its cautions seem to me no less well-taken for that political fact. Whether the rightful ample and growing American support for Mideast peace should take this further military form ought to be considered still an open question.

The Washington Past.

Immigration - both legal and

immigration changing so sharply?

A thoughtful answer to that ques-

Gingrich: People who immigrated

to America traditionally were seen as risk-takers, the Georgia

Republican told me recently.

They were gamblers who left be-

hind old countries and old ways

to plunge into the rough and rum-

# California's Anti-Immigrant Assault Solves Nothing

By Jim Hoagland

WASHINGTON — Micbael Huffington, meet François Mitterrand. The multimillionaire. self-styled conservative who is attempting to appropriate Dianne Feinstein's U.S. Senate seat would seem to have little in common with the Socialist president of France. But I am sure they would bave a lot to say to each other about illegal immigration.

Mr. Huffington has been saying a good deal on the topic in California's bitterly contested Senate race. First he endorsed the state's draconian Proposition 187, which would deny nonemergency bealth care, schooling and other government aid to the Golden State's 1.7 million illegal immigrants. Illegal immigration, he said from the campaign stump,

is "harmful and divisive." That was just before he had to fess up that he had employed an illegal alien as his children's nanny for four years, an admission that could cost him the election.

The silver-lining way of looking at it, Michael, is that you have just become a potent personal

By Kader Asmal and Ronald Roberts

JOHANNESBURG — The first revolution in

of millions of people. The second must overcome

the continuing reality of their economic disfran-

chisement. Long after its carcass has been laid to

tant role to play in protecting fundamental human rights. It was encouraging that in their White

House press conference earlier this month, Bill

Clinton and Nelson Mandela announced that

restructuring South Africa's legal system would

Mr. Mandela's government faces a daunting task in balancing the legitimate aspirations of the black majority against the demands of a powerful white minority. Decent food, water and a liveli-

bood, equal access to a home and a place in school

should now be a cause not only for eloquent

handwringing but also constitutional lingation.

- these basic needs, no less than the right to vote,

The equality clause of South Africa's interim

constitution outlaws indirect discrimination. It

may thus provide sufficient room for the Consul-

tutional Court to review the racially skewed allot-

ment of the country's basic resources. Under the

system set up under apartheid, for example, opu-

lent white suburbs are subsidized by taxes from

all South Africans, while black townships are

denied a share of benefits proportionate to the

taxes imposed on them. Such harsh inequities will

not suddenly evaporate, and the court, imagina-

tively exercising its powers of judicial review, could be a watchdog over a range of such issues.

But formal equality - of the kind mandated

be one of their major areas of cooperation.

To ensure that this does not happen. South Africa's new Constitutional Court has an impor-

rest, apartheid could still throttle the country.

South Africa ended the legal disfranchisement

symbol of a problem that plagues too in this manner is not unknown industrial societies everywhere.

That is where Mr. Mitterrand and France come in. The French president could tell you how his country's conservatives have done a Huffington on a much larger scale. They have employed cheap foreign labor when it was needed and then denied any larger responsibilities toward those workers and their families when their presence was no longer convenient.

In France, conservative governments in the 1960s and 70s were relaxed about the growing number of North Africans who poured in to take menial jobs French workers spurned. Now, with unemployment at record levels, the same French conservatives lead the campaign to cut or eliminate benefits and job opportunities for those same Arab immigrants - and blame the Socialists for not having acted while in power to deport these non-Frenchmen who are

draining the national coffers. Having your cake and eating it

South Africa Needs Economic Rights

elsewhere in Europe. But California is the state of the art when it comes to bringing them in and then bashing them for being there: Governor Pete Wilson sponsored the Seasonal Agricultural Worker program when be was a U.S. senator in the 1980s, ensuring his state's agribusiness a steady supply of foreign labor. Now polls show Mr. Wilson riding his support for Proposition 187 to proba-ble victory over Kathleen Brown on Nov. 8. The immigration initia-

rive is also expected to pass. The Huffington case neatly traces the trajectory that foreign workers follow in nation after nation as economic circumstances change: A needed and appreciated labor unit is transformed into a dirty political secret as jobs and welfare benefits grow scarce. To avoid blame, the conservative politicians and businessmen who encouraged them to come start to portray illegal workers as predators and flail those who would try

by the U.S. Supreme Court's decision in Brown vs. Board of Education in 1954 — will not be

enough. That court's doctrinal meanderings over

the years show that vital social and economic

rights should not be left to the vagaries of legal

interpretation. Thus South Africa's permanent

constitution — which is to replace the interim document in five years, in time for the next

national elections — must more explicitly en-trench these basic rights.

Every significant fundamental rights docu-

ment since the Universal Declaration of Human

Rights, in 1948, speaks of the indivisibility of two

sets of rights: civil and political on the one hand,

economic and social on the other. Yet some legal

theorists continue to treat economic and social

rights as a second-class category. South Africa's constitution could become the most bumane in

the world by doing away with this kind of anoma-

ly. Job security, a reliable and unpolluted supply

of water, an environment cleaned up at the ex-

pense of those who profit from dirtying it - these

are not just desirable goals, they are fundamental

dom can exist surrounded by economic misery,

and it must insist that the right to speech is muted

without a right to education. As they draw up a

permanent constitution over the next few years.

South Africans of different races could well im-

prove on older, flawed constitutions and create a

more perfect union than the world has yet seen.

Kader Asmal, a constitutional lawyer, is South Africa's minister of water affairs and forestry. Ron-

ald Roberts is working in Johannesburg for the New York Center for Economic and Social Rights. They contributed this to The New York Times.

The new court must deny that political free-

rights and should be constitutional ones.

ble of capitalism. They may not have in fact improved their own lot, enduring exploitation and hard times, but they did build a better future for their children. Statistics suggest that is still largely true, even though today's immigrants come from Mexico, Vietnam or Cuba instead of Ireland, Poland or Italy. But anecdotal evidence and an-

gry campaigns like California's reshape the American public's attitude toward immigration. Just as they have in France, Germany and elsewhere, electorates in America are now concluding that immigrants come to their countries to go on welfare and get free health care and education.

California does itself, and the rest of the nation, a disservice by focusing a lot of heat and selfserving electoral propaganda on an issue that needs much light and public education. Even in election time, politicians have a responsibility to do better than that.

The Washington Post,

# IQ Worship: Gimmicky And Wrong By Brent Staples

NEW YORK — Everyone knows the stereotype of the fair-haired executive who owes the office with the view and the six-ligure salary to an accident of birth — like relatives in the halls of power. What about merit, for heaven's sake. Why not give IQ tests, grant the best jobs to those who score well and send the laggards to the mailroom.

That would never happen, nor should it. IQ scores in themselves tell you almost nothing. This was clearly explained by Alfred Binet, the Frenchman who invented the first usable IQ test in 1905.

The test had one purpose; to help identify learning-disabled children who needed special schools. Mr. Binet warned that a "brutal pessimism" would follow if his test was ever mistaken as a measure of a fixed intelligence.

You wouldn't know it from the IQ worship in progress today, but using the tests to draw finer dis-unctions than Mr. Binet intended amounts to overreaching, if not scientific fraud. Most scientists concede that they do not really know what "intelligence" is. Whatever it might be, paper and pencil tests are not the tenth of it.

The fair-haired executive gets a pass for other reasons entirely, First, because the world works more on insiderism and inherited privilege than on "pure merit," whatever that might be.

Second, because the charge of innate stupidity has historically been reserved for the poor, That charge surfaced during the immigrant influx to the United States early in the century, and again during the affirmative action '60s and 70s — both times when America found "scientific" justifications of poverty appealing. Mis-givings about the "underclass" have made them appealing agam.

Mr. Binet's American imitators embraced "brutal pessimism" right away. In 1912, after Eastern and Southern Europeans began to outnumber Northern Europeans at Ellis Island, immigration au-thorities asked the psychologist Henry Goddard to do "quality control," through testing. Mr. Goddard and his colleagues believed that Nordic peoples were civilization's best and that the rest were genetically second-rate.

Not surprisingly, Mr. Goddard's testing of what he called a representative sample of immi-grants showed that 80 percent of all Jews, Italians and Hungarians and nearly 90 percent of Russians were "feeble-minded." As a result, hundreds each year were deported.

At the start of World War f. 2 million draftees were tested. The to secure them better treatment. blacks and whites, but at the time, few were interested. The passion illegal — does of course pose seri-ous problems across the globe. But was proving a connection between "mental deficiency" and national why is America's attitude toward origin among white immigrants. British immigrants were classified as first-rate, with Poles, Italians tion comes from the leader of the and Russians labeled undesirable. Republicans in the House, Newt The data were published by the National Academy of Sciences in 1921, and contributed to the introduction of temporary limits on immigration. IQ bysteria also resulted in sterilization laws cnforced only against the poor.

The IQ believers worked with zeal. Like many before him, the British psychologist Sir Cyril Burt went way beyond science in defense of his beliefs. He alleged that intelligence was so wired into the genes, so indifferent to environment, that identical twins reared apart had virtually identical IQ scores. Statisticians now agree that Sir Cyril made much of it up.

The IQ worshipers of today remain essentially unchanged from Mr. Goddard's time. Despite the impression that there is something new in "The Bell Curve," its authors. Charles Murray and Richard Herrnstein, have merely reasserted the long-unproven claim that IQ is mainly inherited.

The language is calmer, the sta-tistical gimmicks slicker, but the truth remains the same: There exist no plausible data to make the case. Belief to the contrary rests mainly on brutal preconceptions about poverty, but also on a basic confusion between pseudoscience and the real thing.

The New York Times.

# IN OUR PAGES: 100, 75 AND 50 YEARS AGO

## 1894: A Royal Tragedy

SHANGHAI - Behind the death of the young Empress of China Yeh-Elhnala is a tragedy. for the Empress committed suicide. The imperial consorts have never been on good terms, but a climax was reached when the Emperor emphasized a sharp rebuke to the Empress by publicly slapping her on the face. In her despair the Emoress took poison. It is said that the Emperor was the hero of a love affair, and the victim of an unhappy marriage. The Empress dowager was said to be at the bottom of the trouble.

#### 1919: Explosives Cache

LONDON - The Cork police authorities made an important discovery of explosive last night [Oct. 30] while searching a house in Thomas street for arms. They discovered gelignite enough to

blow up the entire locality. They also uncarthed bombs in various stages of manufacture.

#### 1944: The Vicar's 'Gift'

LONDON — [From our New York edition:] The Rev. H. C. Green, vicar of St. Nicholas Church, Ipswich, who donated a box of rat poison when he heard that a fellow Church of England clergyman was soliciting gifts for German prisoners of war, has German prisoners of war, has been reported to his Bishop. The Rev. J. C. B. Chamberlain, vicar of Christ Church in Shooter's Hill, [had] issued a public appeal for such comforts as tobacco and books for six wounded Nazis he visited in hospital. He received from the Rev. Mr. Green rat poison with this note: "I herewith send a small comfort which I am sure will be good for them, I am sorry the tin is not full, but a small dose will do the trick."



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W. T. W.

the Saab 9000 CD 3.0 V6 a number of, technical innovations you don't normally see on a highle V6. A new three-step variable intake manifold that delivers consistent power throughout the rpm Yet range. A Motronic engine management system that not constantly monitors engine emissions. And TCS make

(Traction Control System), a feature that significantly reduces wheelspin. They're the sort of features that do something useful without drawing attention to themselves. Very Saab.

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wood, the custom designed audio, the

highly sophisticated alarm system, the natural glove leather. It even has reading lights in useful places. Yet it's all low key, unobtrusive, functional. It's not trying to make an impression. It's trying to make you feel comfortable.



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for yourself.





# 4 Die in Another Baghdad Blast

BAGHDAD — A bomh in a bahy food container killed three pelicemen and a church official outside a Catholic church in Baghdad on Sunday as policemen were trying to defuse the forces near the emirate. device, the Iraqi press agency INA said.

Three passers-by were wounded in the blast. 

Allies Plan Air Maneuvers which occurred during morning prayers and left nearhy streets littered with glass and stained with blood.

It was the second bomb blast in the Iraqi capital this month. On Oct. 19, a homb exploded in a prayer room at Iraq's Ministry of Religious Affairs, killing a senior official and seriously wounding five people.

. In the incident on Sunday, a church deacon saw a suspicious object in a nylon bag inside the

church, INA said. He quickly took it outside to the church gate and called the police. But when the police arrived the bomh, inside a three-kilogram can of baby food, blew up and killed a bomh disposal expert, a police officer, his assistant and the deacon.

"We heard the explosion, then security men came and sealed off the church," a local resident

No one took responsibility for the blast. The Baghdad bomb blasts this month have come after heightened tension on the Iraq-Kuwait border as the result of a buildup of Iraqi

More than 100 allied comhat aircraft will stage maneuvers over Kuwait and southern Iraq on Tuesday to show Saddam Hussein that the U.S.led coalition will protect Kuwait, The Associated Press reported Sunday, quoting the U.S.

The exercises will include U.S. Air Force B-1 and B-52 bombers, flying from U.S. hases, dropping live bombs on a Kuwaiti desert range near the Iragi border.

The statement termed the exercises as "concentrated flying activity" in airspace over Kuwait and in the "no-fly zone" of southern Iraq below the 32d parallel.

The air exclusion zone was imposed in August 1992 to help protect Shiite Muslim rehels from Mr. Saddam's forces. As far as is known, live ordnance will not be used over southern Iraq.

# MIDEAST: Israel Easing Blockade ADAMS:

#### Continued from Page 1

will eventually be allowed into

Although he has questioned

the effectiveness of such clos-

ings as an anti-terror measure

public, Mr. Rabin warned Sun-

day that he would take similar

measures if Palestinian attacks

whatever step to insure the se-curity of Israel's residents," he

said, "even knowing that it will

pose a hardship for the Pales-

tinians and a hardship for the Palestinian Authority." The Authority, headed by Mr. Ara-

We will feel free to take

on Israelis continue.

Israel for work.

bin agreed to meet again next Compromise Bid Nov. 7 to speed up their talks cerned about the consequences on Palestinian elections and on of putting too much pressure on Mr. Arafat, yielded in Casa-hlanca, announcing that the giving Palestinians responsibilfor welfare, health, taxation and blockade would "gradually he lifted," starting on Tuesday. tourism.

To show they are not com-pletely stalled, the two sides an-nounced their agreement on stationing Palestinian officers But the situation seemed unlikely to return to normal any-Last week, the Israeli governat border crossings. ment decided to deepen the sep-

Their presence there is a tri-umph for Mr. Arafat because it aration between tsraelis and Palestinians by importing gives him some trappings of 19,000 additional foreign workers for construction and farm jobs now filled hy West Bank and Gaza Strip Arabs. So even sovereignty even though true authority remains with Israeli

if the present restrictions are When they take their positions, probably on Monday at Rafah and Tuesday at the dropped, far fewer Palesunians bridge, Palestinian officers will have jurisdiction mainly over

#### and not merely as a public-rela-End Boycott, U.S. Urges tions device to calm a nervous

Secretary of State Warren M. Christopher urged Arab countries to apply economic reforms and lift the boycott of Israel in a designed to reassure Protestant speech at the opening Sunday of an economic conference, Agence France-Presse reported from Casablanca.

"The last remnants of the boycott aimed against Israel must be eliminated," Mr. Chris-

lat, administers self-rule in He also urged Arah countries Gaza and Jericho. to undertake "serious economic It was evident, though, that reforms, end trade restrictions Israel worries about the slow and lift the heavy hand of govpace of negotiations with the erament regulation that stifles entrepreneurs."

#### Continued from Page 1

ity throughout the West Bank the North with the 26 in the Republic has always been the IRA's chief article of faith. In recent years, Mr. Adams and other Sinn Fein officials have said they were flexible on the timing, admitting that a united Ireland could take 10 or 15 years to evolve. In an interview in early September, Mr. Adams said he expected to see a united Ireland "in my lifetime."

But neither he nor other Sinn Fein leaders have raised this possibility, emphasizing their flexibility, since Prime Minister John Major of Britain said Oct. 21 that Britain would probably begin exploratory talks with Palestinians going to Gaza and Sinn Fein before the end of the year. Sinn Fein wants to start the talks immediately, and one of its officials said Saturday that he expected them to begin

within three weeks. leaders who want the North to remain a British province, and to put pressure on the British government to begin formal talks with Sinn Fein, But he declined to say he would press the IRA to disarm before the

talks with Britain start. He said that the British security forces and Protestant paramilitary groups were heavily armed and that unilateral IRA precondition for negotiations.



A security official discussing the shooting Sunday in front of a pockmark left by a bullet.

# EUROPE: EU Expansion Strains Paris-Bonn Axis

#### Continued from Page 1

attentions toward security risks posed in the Mediterranean hy Islamic radicalism, economic chaos and mass migration.

The European Commission has proposed an economic and security pact that would more than double European aid to disarmament could not be a North Africa by dispensing more than \$7 hillion over the

largest free-trade zone by 2010, linking as many as 40 countries and 800 million people. The plan is scheduled for de-bate at a summit meeting of

European leaders in Essen. Germany, in December, But the Germans have been lukewarm toward the pact, particularly because they would be asked to foot a large share of the bill at a time when they want to concentrate resources on the east.

German diplomats contend that the eastern states deserve priority because the continent the pressure of competing naneeds a new security structure tional interests.

next five years. The plan calls to prevent any further east-west for the creation of the world's divisions. The eastern states divisions. The eastern states also have cultural and historical affinities, along with more adaptable economics.

> sidered the West's gravest security priority. They believe the German view offers troubling evidence that the special relationship between Paris and Bonn, which served for four deorogress toward European uni-ty, is changing inexorably under said Mr. Duran's wife reported to local police on Oct. I that her

# Weapon Used in Assault Has Been Banned by U.S.

NEW YORK — The Chinese rifle that Secret Service agents said was used to spray bullets at the White House has been illegal to import into the United States since May.

been illegal to import into the Office States since states federal officials said.

Statistics from the Bureau of Alcohol, Tobacco and I rearms show that the SKS demiauromatic rifle accounted for most of the 950,000 Chinese rifles imported into the United States in 1993, It was also the fourth most frequently traced gun by the hureau, which traces guns seized in criminal investional of the states in 1993.

While the standard model of the SKS is not classified as an assault weapon and was not one of the 19 weapons banned in the crime bill passed in August, its importation was banned by President Bill Clinton as a condition of the most-tayored nation status granted China earlier this year.

If the weapon used on Saturday had been modified to contain more than 10 frounds, it would be outlawed by the

crime hill.

Jack Killorin, a spokesman for the Bureau of Alcohol, Tobacco and Firearms, said that the rifle, as manufactured, resembles the American-made Garand M-1 rifle used in World War II and the Korean War. The rifle was originally manufactured for the Soviet armed forces during World War II and was adopted by the Chinese in 1956.

## GUNMAN: Ex-Convict Charged

#### Continued from Page 1

among eight that appear to have struck the building's fa-cade. Investigators said 20 to 30 rounds were fired in a matter of

seconds. The shooting came six weeks after a similarly startling assault on the president's home. On Sept. 12, a distraught Maryland truck driver stole a small plane and crashed it at the White House. The man died in the crash.

According to federal offi-cials, one day later, Sept. 13, Mr. Duran purchased the SKS rifle near his home in Colorado Springs, Colorado. That same day, in Washington, Mr. Clinton signed anti-crime legislation banning the sale of 19 types of assault weapons. Mr. Duran, who worked as

an upholsterer, was not talking to investigators Sunday and was being held in a city jail, the Secret Service said. He is to be avaigned Monday on federal charges of willfully damaging federal property and possessing a firearm as a convicted felon. If convicted of these charges, Mr. Duran would face a maximum of 10 years in prison on each charge.

According to the White oversees the Secret Service.
Ouse and news agency reAccording to Norman Ornin contrast, senior French of-ficials say that coping with Is-lamic radicalism should be con-sidered the West's corrections. honorable discharge after being convicted of aggravated assault with a vehicle and drunk and disorderly conduct in 1991.

He served a 2½-year prison term at a federal facility in Kancades as the motor in driving sas. Accounts from Colorado busband was missing. The day gressional electifector he had left home saying fected, he said.

he needed to buy supplies for

agents swarmed over the fence

target practice. On Saturday, two strollers on Pennsylvania Avenue seized Mr. Duran as he paused, apparently to reload, and held him until White House security

to make the arrest. It is believed that the Secret Service did not respond instantly because they are trained to consider whether the gunfire is a diversion, because tourists and others on the sidewalk could have been injured if fire was returned and because there was little time to respond to a weapon that can empty a maga-

zine in just a few seconds. Mr. Clinton reportedly took the incident in stride when first told of the gunfire. Later, at a political dinner, he joked that after returning from the Middle East, where extremists threat-ened him, "It's nice to be home in the safety and socurity of the White House."

Mr. Clinton's aides said Sunday that a current review of Secret Service procedures would be expanded. The review was launched last month after the plane incident. A final re-port is due in January from the C Treasury Department, which

stein, a political analyst with the American Enterprise Justitute in Washington, the incident is not likely to have any broad impact on the public's opinion of Mr. Clinton.

This is not the same thing as the awful assassination attempt on Ronald Reagan," Mr. Omstein said on CNN.

However, the debate in congressional elections could be af-

# INDIA: Middle Class Frustrated by Education System POPE:

#### Continued from Page 1

mandate, elimination of entrance tests for preschoolers. less stringent classroom schedules for toddlers and limits on the hook loads youngsters should carry home each day.

"Putting pressure on such small children so early is not fair," Mr. Sinha said. "Parents do not realize that they are taking a hig risk hy putting so many demands on their chil-

The middle-class hunger for better education also is fueling an explosion in the number of private schools in a country where many parents are frustrated with government-funded schools' overcrowded classrooms, absentee teachers and poor curriculums. In the last decade, the number of private schools in New Delhi has doubled to some 600 — about 40 But educators worry that

can afford private tuitions, huys better education for its children, most Indian youngsters are subjected to government schools that are underfunded and overburdened by burgeoning student populations. Today, India has the largest population of illiterates in the world, and nearly half of the country's children between ages 6 and 14 do not go to school at all, according to United Nations statistics.

But in the middle class, which includes anywhere from 150 million to 250 million of India's become cranky, have stomach 900 million people, elite school-aches, school phobia, school reing is also taking on Western overtones as a measure of fam- things that are against the matily social status. Many teachers uration process, and they can't and psychologists say parents cope."

"For a society in transition, the school your child gets into is while the middle class, which often a place for picking up the right contacts to gain entry into the right circles," said Avdesh Sharma, a New Delhi psychia-

Child psychologists say their husiness has picked up as a result of the mental and physical stress placed oo more children at younger ages.

"There is a notion that the child who starts earlier would be a winner later," Mr. Sharma said. "But in psychoanalysis, we see the consequences. Children fusal. The child is forced to do

# percent of the total schools in the city, according to government officials. use their children's educational achievements as a way to further their own ambitions. Cardinals Named Continued from Page 1

ministries." Two of the new appointments are from the United States — William Henry Keeler, the archbishop of Baltimore, and Adam Joseph Maida, the archhishop of Detroit. Four are Italians.

Others seemed designed to send a particular political message. Two of them - Monsignor Paul Joseph Pham Din Tung from Hanoi and Monsignor Jaime Lucas Ortega y Alamini from Cuba - reflected the Pope's support for Christians living under Communist rule.

Several appointments were made in former Communist countries in Eastern Europe. The elevation of the relatively youthful Archbishop of Sarajevo, Monsignor Vinko Puljic, 49, to the rank of cardinal seemed designed to show the Pope's continued quest for a Balkan peace — and his support for Roman Catholics there - in the face of Serbian Orthodox opposition to his overtures.

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The Pope was forced to cancel a planned trip to Sarajevo in September hecause Bosnian Serbs refused to guarantee his

While the new appointments will further the process of inter-nationalization of the church hierarchy begun hy Pope Paul VI, the dominant presence among the cardinal electors will still be formed by 55 cardinals from Western and Eastern Eu-

In the Vatican's breakdown of the cardinal electors' background following the new appointments, 33 are from North and South America (two-thirds of them from Latin America), 15 from Africa, 14 from Asia and three from Oceania in the

central and south Pacific. The appointments, moreover, meant some countries -Albania, Bosnia, Belarus and Cuha under Fidel Castro would have a cardinal to repre-

sent them for the first time. The countries from which cardinals were appointed Sunday were: Lebanon, Czech Republic, Italy, Japan, Chile, Scotland, Mexico, Cuba, Indonesia, Belgium, France, Switzerland, Uganda, the United States, Canada, Peru, Spain, Bosnia, Madagascar, Vietnam, Ecuador, Belarus, Albania and

## **AMERICAN TOPICS**

Cash Machines: Muggers' Targets Scenario: You need money at 3 A.M. and drive to the automatic teller machine. 24-hour card in hand. Surprise. No cash available

until 6 A.M. Banks around the United States are curtailing cash machine hours, especially in cities, because of the risk of customers getting

mugged at night.

A spree of 30 robberies at automated teller machines in Tampa, Florida, prompted Barnett Bank to close some ATMs as early as 7

"If I really did need cash late at night, I'd keep driving till I found a machine," said Ray Henley, a Barnett customer. "If they closed all of them, that would be a drag."

Another solution has been to put ATMs in high-traffic areas like grocery stores, pharmacies, fast-food restaurants, gas stations and convenience stores. Many of these places are open 24 hours a day.

### Short Takes

The district school board in Half Moon Bay, California, south of San Francisco, voted down a proposal hy one of its members. Garrett Redmond. to aholish homework. Mr. Redmond argued that homework favors children who live near school and don't have to spend an hour on the school bus, and children whose families can afford a personal comput-

"He must have struck some sort of a nerve in America and around the world," said the board president, Ken Jones, who arrived at work to find 75 messages about homework on his fax machine. Under the school board's decision, the su-

perintendent will meet teachers and parents for a top-to-bottom review of homework and how classes are organized.

Of the 28 managers in major league base-ball, eight are former catchers. Nine were infielders, and seven were outfielders. Given that there are four infielders and three outfielders to one catcher on the field, "the ratio of catchers in managing jobs is remarkable."
Murray Chass writes in The New York Times.
And no wonder. "The catcher is the manag-

er's representative on the field," says Dan Duquette, an executive with the Boston Red Sox. "The catcher is involved with every pitch, every pitcher, and he's the only player on the field who has the whole field in front of

#### About People

Coretta Scott King says her husband's nonviolent orotests were inspired by another powerful, yet peaceful, leader — Mahatma

In accepting the Gandhi Universal Harmony Award at a dinner last week marking the 125th anniversary of Mr. Gandhi's birth, Mrs. King quoted writings from Martin Luther King Jr. that said he "had discovered the method for social reform that I had been seeking" in Mr. Gandhi's nonviolent resistance to British rule in India.

International Herald Tribune.

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# Q &A: APEC's Moves Toward Trade Liberalization

The eighteen members of APEC, the Asia Pacific Economic Cooperation forum, are to hold their annual meeting in Indonesia starting Nov. 8. the life many Ali Alatas, the Indonesian foreign minister, discussed some of the major issues with Michael Richardson of the International Herald Tribune.

Q. Why are the meetings of APEC leaders and ministers in Indonesia important?

A: APEC is gathering momentum in its efforts to achieve its goals of continuing liberalization of trade and investments. This will ensure that the market-driven progress that has characterized economic development in the Asia-Pacific region will be further enhanced. We need to find practical ways of enmeshing the private business sector into APEC co-

operation. The meeting is also important bethings we usually take up, we should focus on some new aspects of cooperation that are of vital interest to the developing economies. They include education, training, the transfer of skills and technology, ways of overcoming infrastructure hottlenecks, and how to increase the capabilities of small and medium enterprises. Such firms are the most important

Q. Will the APEC leaders agree on a date for establishing free trade in the Asia-Pacific region?

A. A mejor topic for discussinn will be how to move toward freer trade and more liberalized investments in the region, not toward a free trade area, but freer trade in the area. It may be feasible to determine certain end dates.

O. Would any tariff cuts agreed by APEC be extended not just to members of the group but to all other cause Indonesia, as the host, has sug- countries? Or would they be offered gested that apart from the routine on a reciprocal hasis at least to developed nations such as those in Eu-

A. These details should be subject to further thinking and discussion. Q. Nonetheless, talk by APEC of reciprocity conjures up visions among some members of the European Union of a fortress Asia-Pacific. What is your response to those concerns?

A. I think the overwhelming view in APEC economies is that the operating principle of the group musi remain open regionalism, and that we should not move toward anything that would even be a semblance of a closed shop or a closed trading bloc.

Q. The United Nations still does not recognize Iodooesia's takeover of East Timnr in 1976. Is Jakarta prepared to hold a referendum in East Timor under UN or international supervision to settle once and for all the

self-determination question? A. On that score, our position has

we implemented a plan that the Portuguese themselves were about to implement had they not ahandoned the handled? territory in a very irresponsible way. We determined the wishes of the East Timorese through their traditional chiefs. Remember that there was e high degree of illiteracy in the territory then and a modern referendum would oot have been feasible. We invited the UN and Portugal. But

they did oot come. Holding e referendum now would only result in again execerheting feelings in East Timor. And why should we do it just because a small minority. the ex-Fretilin independence movement, wants it? Yet, they were the party in 1975 that did oot want a proper and orderly self-determination process because they had the weapons from the Portuguese governor and his assistants in East Timor.

Q. Indonesia is a frequent target for international human rights

there is no reason to hold a referen-dum in East Timor because in 1976 ernments for alleged ahuses of human rights in East Timor and elsewhere. How should such issues be

> A. A political campaign, very often using the banner of human rights, has been weged against Indonesia for many years. This is not to deep that we sometimes have human rights in-fringements. Which country does not? But we reject the allegation that it is a consistent pattern of violations perpetrated or condoned by the government. That is a malicious misrep-

> resentation. We continue to improve our per-formance in the field of human rights. We listen to the United States. Australia and other friendly governments when they have misgivings and concerns. We listen to them because that is the right way to do it . . . rather than shouting from the roof-tops allegations which are not based on facts and will only make things worse by making people angry.

# been made very clear. We have said 2 Former Presidents Staged a 'Military Rebellion,' Seoul Rules

By Andrew Ponce.

New York Times Service

SEOUL — After a long investigation, the South Korean government has anoounced premeditate. that two former presidents are engaged in a "premeditated military rebellion" in 1979 that military rebellion to their assuming that two former presidents had try and that a trial would remilitary recently in military recently led to their assuming Mile whether the power. Control of persons of the

But the government said over

prosecute the two men, Chun Doo Hwan and Roh Tae Woo, saying they had also made positive contributions to the counopen old wounds and divide the

The decision by the Seoul District Prosecutor's Office is an attempt to close the book on

that might have delayed the in- army generals. troduction of democracy io South Korea by a decade.

But what is, in effect, a compromise decision to discredit punishing them might oot satisfy those who say they suffered under the military rule imposed was in charge of investigating

is usually called, took place less Chung Seung Hwa, in a violent than two months after the long-confrontation. Mr. Chun has time dictator, Park Chung Hee, long said that the arrest was was assassinated by the head of Mr. Chun and Mr. Roh without South Korea's intelligeoce

Mr. Chun, then a general.

Mr. Roh and other officers, he The "Dec. 12 incident," as it arrested the army chief of staff,

> idence to link General Chung to the assassination. But the prosecutor's office said Saturday that the arrest was a well-planned mutiny designed to prevent Mr. Chun

> from being demoted. The prosecutors stopped short of accus-ing Mr. Chun, Mr. Roh and 36 collaborators of treason, saying they did oot topple the president or destroy the constitu-

After Mr. Park's assassination, South Korea experienced a political "spring" with hopes of democracy. But in May 1980, the army killed hundreds in suppressing an uprising in the southern city of Kwangju, and Mr. Chun installed himself as president in 1981. Mr. Roh was chosen to succeed him in 1987.

Uoder military rule, South Korea made a painful and sometimes violent transition to democracy. In December 1992, Kim Young Sam was elected the first president in decades without a military background. It was only after his election that the 1979 event, which Mr. Kim has called a "coup-like in-

cident" could even be investi-

Still, analysts said it was oot surprising that Mr. Kim's administration decided not to prosecute his two predecessors. To help win the election, Mr. Kim had joined up with the necessary because there was evruling party of Mr. Roh.

Koreans eppear divided be-tween those who favored putting the two former presideots on trial and those who want to put the past behind.

"I think it's a good settle-ment," Yang Sung Chul, a professor of political science at Kyunghee University in Seoul, said of Saturday's decision. 'It's had for Korean political leadership to open up old

The investigation began in July 1993 after a complaint from General Chung, the former army chief of staff, who was stripped of his position and imprisoned after his arrest in 1979 and is now seeking to clear his name.

General Chung said that he would appeal the prosecutor's decision. "I cannot understand why the prosecution did not indict" the men "in spite of its decision that their act was tantamount to rebellioo," he was quoted by The Korea Herald as saying. "They are felons who infringed upoo the national constitution.



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Source: † VIVA Surveys '927' '93. Reader Survey '94



Two former presidents of South Korea, Chun Doo Hwan, left, and Roh Tae Woo, attending a recent funeral in Seoul.

### **BOOKS**

THE WORLD:

The Lighter Side of Overpopulation, Famine, Ecological Disaster, Ethnic Hatred, Plague, and Poverty

By P. J. O'Rourke. 340 pages. \$22. Atlantic Monthly Press.

Reviewed by Carolyn See PJ. O'Rourke generates his humor by writing things that most of us only say — or think - in the privacy of our living rooms, bedrooms or oo the phone to a wicked best friend. In this investigation of "the lighter side of overpopulation, famine, ecological disaster, ethnic hatred, plague, and poverty," he suggests, for instance, that the war in the former Yugoslavia is a matter of "the unspellables . . . shoot-

ALL THE TROUBLE IN ing the unpronounceables."

Or, of the war in Somalia, O'Rourke opines that "there's he's having fun. one ugly thought that has occurred to almost everyooe who's been to Somalia. I heard a Marine private in the Baidoa coovey put it succinctly. He said, 'Somalis — give them better arms and training and seal the borders.' Who of us has not thought that (but not al-ways said it) while watching those uncounted thousands of victims, covered with flies, dying horribly on TV? Then we go out to the refrigerator, crack open a hrewski and grah a handful of Cheetos, to ward off

famine in our house. O'Rourke is very funny in an easygoing, mean-spirited way. He'll certainly never be getting the Large Heart Award, but it

doesn't seem to matter to him That provokes a snicker, if the because Rolling Stone has paid reader is in a bad mood to start his way to go all over the world to write these pieces; he's traveling more or less first-class and

> It's all grist to the mill with this guy. He flies down to Iquitos and hangs out with Amazoo Indians who must have been

of Commerce:

bye." Yes, he's funny. The author describes himself hired by the Iquitos Chamber as "Republican," but that can be misleading. He's funny, un-The Yagua were wearing like Bob Dole or Dan Quayle or skirts that looked like piles of that Huffington person. Also, leaves . . . vegetable diradls. he's intelligent, and he's done a They had streaked their faces lot of homework, so much so

WHAT THEY'RE READING

• Bill Roedy, president of MTV Europe, is reading "Wages of Guilt" by Ian Bur-

"What the book does is compare the reactions of Japan and Germany to their roles io World War II. It is fascinating to examine how two different cultures and peoples react."
(Erik Ipsen, IHT)



with Victoam: "Everyhody

from the first advisers lke sent

in 1955 to Henry Kissinger at

the Paris peace talks, had a mad

crush on Vietnam. It hroke

their hearts. They kept calling

### BRIDGE

By Alan Truscott NORTH-SOUTH have bid to four hearts in the diagramed deal. West leads the spade jack, and East overtakes with the queen and cashes the ace. He then shifts to the club jack, and South takes the ace.

If South can deal with the heart queen, he may make 11 tricks. If he cannot, he may fail by two tricks. A tricky, but legal, move that is sometimes eppropriate is to lead the heart jack, hoping that West will react by producing the queen or thinking about playing that card. If he does not, the ace is played and a finesse is taken against East. That will work only against a naïve opponent: in general, a defender with the trump queen should never play it in such circumstances, or even think of doing, so.

Other things being equal, the right play of the heart combination is to start with the ace and then finesse. But they are oot equal here. A reasonable technical play, which would fail, is to cash the ace and king of hearts and try to run diamoods. If the trumps split 3-2, South has the chance of dropping the

queen doubleton, or disposing of the club losers on dummy diamonds.

Much better is to draw an inference from the bidding and play. The play to the first trick virtually guarantees that East began with A-K-Q of spades, and he has produced the club jack. If he also held the heart queen, he would very probably have opened the bidding. So South should play West for the queen by leading the jack and finesting

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Both side	s are vulnerable. The bid-

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everybody else." Ah! the folly of humanity! There's oothing better — or easier — to write about.

earnestly debate the problems of multiculturalism.

He gets to drive from Hanoi well, drinking well, enjoying the ocean and the sunsets, and comes to the conclusion that Americans — oot the grunts. fallen head over heels in love Post.

with Max Factor, donned fish- that even as he accuses Al Gore bone and parrot-feather oeck- of being an incorrigible hore leces, and stuck Indian-type about ecology he comes peril-things in their hair. . . One ously close to being a bore himold man had pulled out all the self as he argues that there are stops in the authentic-dress no ecological problems to speak business. He had a grass skirt so of. Every once in a while he'll eleborate he was lucky he drown in facts or quotes for a hadn't been declared an endan-gered ecosystem from the waist weird, off in the barren steppes. so far to the right that if the Of course, just around the political world were round, he

corner the Indians are living might find himself in unmarked in wood and tin houses like tundra belonging in the left. The book is fun and the guy is smart.

easier — to write about. sports: If you were shot in the The author's journalist-bugut by an "unspellable," morist passport allows him to wouldn't it still hurt? Do you go back to his alma mater — a (like Somalis) deserve to die it small college in Ohio - where you have a bad personality? If "pink and well-fed" students so, there goes my stepfather.

to Ho Chi Minh City, eating plenty of facts, cheap shots and your dad.

But let me speak up for poor

This is a book guys can read without embarrassment on airplanes - no sex, no violence, quite good writing. Buy it for

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INTERNATIONAL HERALD TRIBUNE, MONDAY, OCTOBER 31, 1994 **ITERNATIONAL BOND PRICES** issuer | Indianal Section | 1974 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 1071 | 10 은 6.6보드 1940년 1945년 1947년 1948년 1947년 1948년 194 LOS CIT LOW FELDO'S BLACK ELVA EL ANDEL LAW ELVA EL ANDEL LAW ELVA EL ANDEL LAW ELVA EL ANDEL LAW EL ANDEL LA ASSESSED AND ASSESSED ASSESSED AND ASSESSED AND ASSESSED AND ASSESSED AND ASSESSED AND ASSESSED ASSESSED AND ASSESSED ASSESSED AND ASSESSED 9.7.7.700 전에 보고 1.7.11 전에 ARTONIC STORY ME NO CONTROL OF STORY ME NO CO enter the transfer of the contraction of the same of t AND CONTROL OF THE LAND CO Prices may vary to market conditions ななはないこれはないない 1900年,1900年 Histo Fin Feb Sty. 64
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# International Herald Tribune, Monday, October 31, 1994

#### CAPITAL MARKETS

## A European Bond Rally Won't Bring in the Bulls

By Carl Gewirtz nal Herald Tribiere

ARIS — In a fitting end to an extraordinarily gloomy year, bood analysts, particularly the technicians who are guided by patterns traced on graph paper, are talking about a recovery in prices and a decline in yields. But it will only be temporary. The rally will be followed by a renewed relapse.

Technical analysis were impressed by the sell-off, followed by a price recovery in major bond markets last week. That bounce shows price recovery in major bond markets last week. That bounce shows that "prices are forming a base" for a rally that could last a number of months, said Kalpana Patel at Swiss Bank Corp. in London.

She thinks 10-year German government bonds, which ended the

week at 7.59 percent, could retrace back to 6.75 percent. But then she sees a renewed decline in prices that could push yields out 10 just over 8 percent later next year.

Robert Thomas at NatWest Markets in London agreed, saying there was now "a better tone in European bond markets," but he was doubtful about how far it could go. "We're in a trading range, and right now we're close to the top in yields" so it would not be springing to now move in the conscited discontinuous and relapse.

not be surprising to now move in the opposite direction.

But the expected improvement cannot be laheled a hull market, Mr. Thomas said. "We're in the wrong stage of the business cycle in Europe for this to be called a hull market. Rather, we're likely to experience a correction in a bear market that might carry yields on 10-year German bonds to around 7 percent."

Bob Tyley at Banque Paribas said: "There is good value in Enropean bonds" with real yields -or what's left after subtracting for expected inflation — ranging from 4.7 percent in Germany to 8.4 percent in Italy. This compares with an estimated real yield of only 4.6 percent in the U.S. market.

"But I see nothing to change the view that markers are in a neutral to negative trend," Mr. Tyley said. If European hond markets so far have been unable to respond to favorable fundamentals, "I see no reason for a rally now than al any other point this

But optimists have their sights set on early December. "That's when allocations of new risk capital are made to the proprietary trading desks of banks," one analyst said. "These guys have run out of money, they lost it all this year."

The new year allocations will put these operators who trade on behalf of their banks hack in business.

Noting that liquidity in most bond markets has contracted markedly, the malyst said: "A renewed flow of funds back into the market and bingo -it could be just the catalyst needed to get prices rising."

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compiled by Bloomberg 118

Week ending October 28, 116

Industrial Sectors/Weekend close 19/28/94 19/21/94 % close close change

Services 119,42 120,86 -1.19 Miscellaneous

Energy 118.87 115.70 +2.74 Utilities 128.97 129.47 -0.39

Finance 116.13 117.18 -0.90

Capital Goods 118.79 119.12 -0.28

Raw Materials 138.97 137.57 +1.02

Consumer Goods 105,43 106.28 -0.80

World Stock Index, composed 120

stocks from 25 countries,

of 280 internationally investable

# Bears Keep **Doubting** The Dollar, Rally or Not

By Carl Gewirtz International Herald Tribune

PARIS — "Don't quote me."
the analyst pleaded, "but I
haven't got a hell of an idea why markets are rallying."
He wasn't the only analyst left

agape by the rise in bonds, stocks and the dollar after the U.S. gross domestic product re-port estimated third-quarter growth at a 3.4 percent annual

The figure was lower than the 4.1 percent recorded in the previ-ous quarter but still well ahead of the 2.5 percent rate that is considered to be sustainable

without rekindling inflation.
The surprise in the latest data was the modest level of inflation, which slowed to 1.6 percent by one measure and was unchanged at 3.2 percent by a wider measure.

But analysts agreed that the price report did not alter the need for the Federal Reserve Board to dampen growth by

raising interest rates.
In fact, J. P. Morgan last week raised its forecast on how high rates need to go — to 7.5 percent on overnight money, which is currently pegged hy the Fed at 4.75 percent.

Analysts at the New York bank, who predict that growth in the current quarter will acceler-ate to an annual rate of 4.5 percent, had previously expected the short-term rate increases to top out next year at 7 percent,

The cash market also was unmoved by Friday's third-quarter data. Three-month Eurodollar interest rates ended the week offered at 5 11/16 percent, up 1/16 from the previous week. Allowing for a normal quarterpoint difference between overnight and three-month rates, the cash market is saying that in three months, interest rates will be 11/16 percentage point high-

er than they are now. Groping for explanations, analysts said that the U.S. bond market was driven higher by short-covering. Speculators who had earlier sold bonds on the expectation that prices would drop, which they did during the week, took profits Friday and closed positions by repurchasing the paper they had sold. This pushed up bond prices, equities and the dollar.

Early last week, the dollar traded at a two-year low of 1.4845 Deutsche marks, and it ended trading in what analysts said was a very thin market at 1.51 DM in New York. After touching a record low of 96.35 yen, the dollar ended at 97.28

yen.
"The dollar remains in a bearish mode," said Paul Chertkow, London-based analyst at Union Bank of Switzerland. For the mood to change, he added, the dollar needs to move above 1.5310 DM. Traders re-

See DOLLAR, Page 11

# U.S. Phone Bids Are In

# **Telecoms Reveal Alliances for Licenses**

By Mike Mills Washington Post Service

WASHINGTON - The largest U.S. communications companies have formally dis-closed the alliances they have formed to hid for the right to offer wireless personal communications services, or PCS.

Almost every big name has said it will try for at least a piece of the action, and so have a number of smaller ones.

AT&T-McCaw promises 10 be the 800-pound gorilla, having the financial strength to locate wherever it wants. When AT&T Corp. purchased McCaw Cellular Communications Inc. for \$11.5 billion this summer, it bought McCaw's cellular systems in more than 100

That means AT&T-McCaw likely will focus its bids for the new technology on the top markets it does not serve, including Washington-Baltimore, Chicago, Boston and Atlanta.

While a handful of the joint ventures said they hoped to create nationwide wireless phone companies, three of the regional Bell operating companies unveiled more conservative expansion plans.

Bell Atlantic Corp., Nynex Corp. and US West Inc., along with Airtouch Communica-tions Inc., combined forces, agreeing to jointy bid for and market their wireless services. Those companies will focus on the Midwest and Southeast, as well as Texas,

On Dec. 5 the Federal Communications Commission will hold the first auctions of licenses for the new breed of lightweight, more-powerful pocket phones that some day may provide an alternative to today's wired phone systems. A total of 99 licenses in 47 regional markets will be sold, with hundreds of smaller-market licenses to follow next year.

The winners will be able to use the new technology to compete against the two cellu-lar-telephone providers already doing business in each market. Those cellular incumbents will also be able to use the PCS technology. When larger and smaller licenses are granted, there could be as many as eight competitors in each market.

PCS differs from cellular technology by using smaller antenna "cells" that allow for more powerful and compact pocket phones. It also uses digital technology that provides a clearer signal and higher security.

The auctions, ordered by Congress, are expected to bring billions to the Treasury.

MCl Communications Corp. confirmed it would not bid outright for PCS licenses, but instead would form minority-share alliances with other bidders.

Companies had until late Friday to disclose their partners and the markets in which they intended to bid. After applicants told the FCC what markets they were seeking, they were forhidden from discussing the auctions with other hidders in those markets.
Other potential bidders that disclosed their

intentions included: · Bell South, which said it would limit its bidding to two market areas within its current service region, in the Carolinas and Eastern Tennessee. The Bell company formed a hidding group that includes The Washington Post Co., American Personal Communications (which is 70 percent owned by the Post a subsidiary of the utility Duke Power and 35 other small telecommunications companies. The Washington Post's stake and American Personal Communications' separate involvement amount to less than 10 per-cent each, according to company officials.

• SBC Communications Inc. (formerly Southwestern Bell) and GTE Corp. said they would join to market PCS service in Texas.

• Ameritech, the Bell company serving the Midwest, will bid for licenses in Indianapolis and Cleveland.

 Pacifie Telesis Group, the Bell company of California and Nevada, will focus on the license for the market that contains Southern

# Fed Official Sees No Slowdown

DETROIT — There are no signs that the U.S. economy is decelerating from an unsustainahly rapid growth rate, Federal Reserve Board Governor Law-rence Lindsey said.

Assessing a Commerce Department report that showed the U.S. output of goods and services expanded at a 3.4 percent yearly rate after inflation during July through September, Mr. Lindsey said, "It's just more evidence of solid economic growth," at a rate that was "a

bit stronger than expected."

His weekend comments follow Federal Reserve efforts to slow the economy to a sustainable rate that would not create rapid inflation. The central bank moved to push short-term interest rates higher five times this year, nudging the federal funds rate on loans among banks to 4.75 percent, from 3 percent. It also acted twice to raise the interest rate it charges on direct loans to banks, to 4

percent from 3 percent.
The Fed still has not seen much cooling of the economy, Mr. Lindsey said. "I don't see anything in the crystal ball that would suggest a slowdown," he

His remarks seemed to imply that the Fed considers the economy easily able to withstand the drag of further interest rate increases as part of the central bank's war on inflation. Many analysts expect the Fed to raise interest rates at a Nov. 15 meeting of its policy-setting Open Market Committee.

Asked whether the 3.4 per-

without generating faster inflation, Mr. Lindsey said, "Proba-hly not forever. Whether it can go on for a few more quarters is an open question.

While many lawmakers in Congress have strongly criticized the Fed for raising interest rates this year when infla-tion was well contained, the governor said prices might well be soaring by now if the Fed had not made its preemptive

strike against inflation. "The actions of the Federal Reserve are clearly appropri-ate," he said. "We could be having serious problems now if we had not done the tightening ac-

■ Worry Over S&L Insurer Representative Henry B. Gonzalez, the powerful chair-man of the House Banking Committee, has warned of a possible collapse of the federal fund that insures deposits at savings institutions, The New York Times reported from Washington.

In a memo to colleagues on the committee, the Texas Democrat said, "There is a significant risk that the Savings Association Insurance Fund may not be able to meet its obligations unless changes are made." He called for hearings on the issue soon,

The savings fund is separate from the Bank Insurance Fund, which insures hanks deposits. The Federal Deposit Insurance Corp. runs both funds. Congress set up the savings

# Airlines Head for Profit After 4 Years of Losses

mpiled by Our Staff From Dispatches MEXICO CITY - World would represent less than I perairlines are emerging from four cent of revenue, while a steady 5 years of big losses, but profits percent or 5 percent is needed. are still low and must improve if and he warned that the future the industry is to stay alive and depended on greater returns. not become dependent on sub-

state of the industry, released in age 6.6 percent for the years Mexico City on Saturday, the from 1994 to 1998 and would

hle - it will be the first since cent of seats were flown empty. 1989," said IATA's director general, Pierre Jeanniot.

TA's 222 member airlines lost a total of \$15.6 hillion between would give the industry "a breathing space as the painful

He said even \$1 billion profits But industry leaders said the

sídies, the International Air recovery was under way. Transport Association said. IATA said air passengers In its annual report on the numbers would grow an aver-

International Air Transport As- probably double over the next sociation said airlines were cut- 10 years. Freight traffic is exting the overcapacity that has pected to grow an average 9 crippled them in recent years. percent in the next four years.

They also appear to have IATA officials said the indus-

moved back into profit as pas-senger and freight traffic grows. also moderately improved, with "If the airlines do show a net profit in 1994 — a modesl fig-ure of \$1 billion is not impossi-tive of \$1 billion is not impossi-\$4.1 billion, more than 35 per-

Mr. Jeanniot said that IA- New Airline To Take Off Edward Beauvais, the former

chairman and co-founder of 1990 and the end of last year America West Airlines, will unand that this year's profits veil plans on Tuesday for his new low-cost carrier. Western Pacific Airlines, Bloomberg process of restructuring contin-ues."

Business News reported from Colorado Springs, Colorado.

# China's Economic Catch-22

By Steven Mufson Washingson Post Service

BEIJING - Trouble is brewing within Asia's economic miracle.

A senior Chinese official involved in the reform of state industry said last week that a fifth of people employed at state enterprises are not needed. His estimate means that more than 25 million people could lose their jobs if Beijing

cracks down on money-losing enterprises.

And another official predicted that China's inflation would peak at around 20 percent this year, roughly twice the government's target level.

The solution to these two grave problems—

galloping inflation and surplus labor — are at odds. To stop inflation requires cooling down the overheated economy. But that's precisely what government officials who are worried about widespread unemployment want to avoid.

reducing inflation and limiting unemployment in both urban industrial and rural agricultural sectors," said Huan Guocang, senior economist with J. P. Morgan & Co. in Hong Kong. "To hail out state-owned firms, credit restrictions are regularly eased, only to be reimposed again when concerns about inflation regain the upper hand."

The challenge is especially delicate as China's senior leader, Deng Xiaoping, 90, fades from the scene. His designated successors are worried about maintaining stability once he dies. But which course of action is worse? On the one hand they fear unemployment could create an unstable of the prices of housing and food, particularly pork and grain. The introduction of a value-added tax

sustaining money-losing state industries by pumping money into them feeds inflation. Some policy-makers favor letting the state enterprises go bankrupt. That would put the economy on a sounder, market-based footing and would slow the economic growth rate, which

hit 12.4 percent during the first half of this year. The government has stated that it will force 100 state-owned enterprises in 18 cities into bankruptcy next year. But the State Council has given approval "in principal" to only one of the

10 bankruptcy regulations needed to do so. Zhu Rongji, vice prime minister in charge of the economy is a leading voice in favor of moderating growth. At a meeting of the International Monetary Fund and World Bank in Spain early. this month, he said that China hopes to lower its.

growth rate to under 10 percent. despread unemployment want to avoid.

Mr. Zhu's efforts have largely failed this year.

As a result, many officials have talked about to the following inflation and limiting unemployment in rolling back market reforms to stop inflation. They have slapped price controls on certain commodities, like cotton and grain, and threat-

ened people who make "excessive profits." But that isn't likely to help. Too much of. China's economy has been turned over to the free market for the government to regain control

hle army of jobless people. On the other hand, has boosted the year-to-year inflation rates.

# Nostalgia Value and Price Keep the Trabant on Track

By Brandon Mitchener

International Herald Tribune
DAUERNHEIM, Germany — When Germans crack jokes about the sputtering, toy-like cars named Trabants that were once the pride of East Germany, Rainer Schwitzgobel and his son Frank usually have the last laugh. Before the Wall fell in 1989, the elder Mr.

Schwitzgöbel enjoyed ex-elusive West German rights to sell the Trahant's bigger cousin, the Wart-BUSINESS hurg, as well as the Barkas, a minivan, and the spare parts that kept them run-ning. After the Wall fell, he started selling Trabants, too.

Unification sent demand for East German car parts to new records as East Germans exercised their right to travel to the West.

"My entire stock was gone within three weeks," the elder Mr. Schwitzgöbel said.
Five years later, while most East Germans have ditched their Trabants for Volkswagens, Porsches and Audis, business at the Schwitzgöbels' Little East-West Store 60 kilometers (37 miles) northwest of Frankfurt continues to boom as West Germans snap up Trabis for their novelty value, cheap price at £50 Deut-sche marks to 2,000 Deutsche marks (\$568 to \$1,335) and ease of repair.

"The Trabant is the only individual car that you can find these days," the elder Mr. Schwitzgobel said. "There's something about

The younger Mr. Schwitzgöbel, who recently assumed responsibility for the family business, faces increasing competition from other vendors, which have sprung up in Eastern and Western Germany, but still manages to sell five to six cars a month, while accessories sales are booming. In the third quarter this year, business was

up 35 percent from the same period last year, the younger Mr. Schwitzgobel said.

hire an assistant to keep up with rising de-Most of his overall sales of more than 250,000 DM a year come from the sale of

Although he has started using a computer to keep track of orders, he said he may need to

spare parts.

But besides selling the plastic parts that made the first Trahant famous, the Schwitzgobels have carved themselves a niche by

selling sporty automotive accessories. How about a molded mahogany gearshift to put your two-stroke Trabi in motion? The Schwitzgöbels sell it, along with sporty Italian steering wheels covered in brightly colored leather, aluminum hubcaps in a variety of the strong with the strong wheels covered in brightly colored leather, aluminum hubcaps in a variety of the strong was a strong to the strong was a strong was snazzy designs and front and rear spoilers in shiny black plastic. "We're the only one sell-ing the sporty spoilers," Frank Schwitzgöbel said. "I had them made myself."

They have even custom-made Trabant con-

vertibles, pickup trucks and a cement truck.
"We have fun with the husiness," the elder Mr. Schwitzgöbel said. What's more significant, every car they ever

tinkered with has passed the rigorous emissions inspection at the local motor vehicle office. according to the elder Mr. Schwitzgöbel. A lot of new business involves upgrading older-model Trabants with catalytic convert-

ers, new shock absorbers and four-cylinder Volkswagen motors. In addition to selling locally, the Schwitzgöbels export Trabants and Wartburgs — and parts — as far away as New Zealand and

The elder Mr. Schwitzgöbel, who has been driving a yellow 1984 Trabant for more than 10 years, recently collaborated on a calendar featuring Trabis, Wartburgs and motorcycles made by MZ, a Saxoo company that, unlike the automakers, has resumed production un-

der new management.

For the future, the Schwitzgöbels see nothing but good news as a wave of nostalgia sweeps the East.

THE LINK BETWEEN THE PAST AND THE FUTURE



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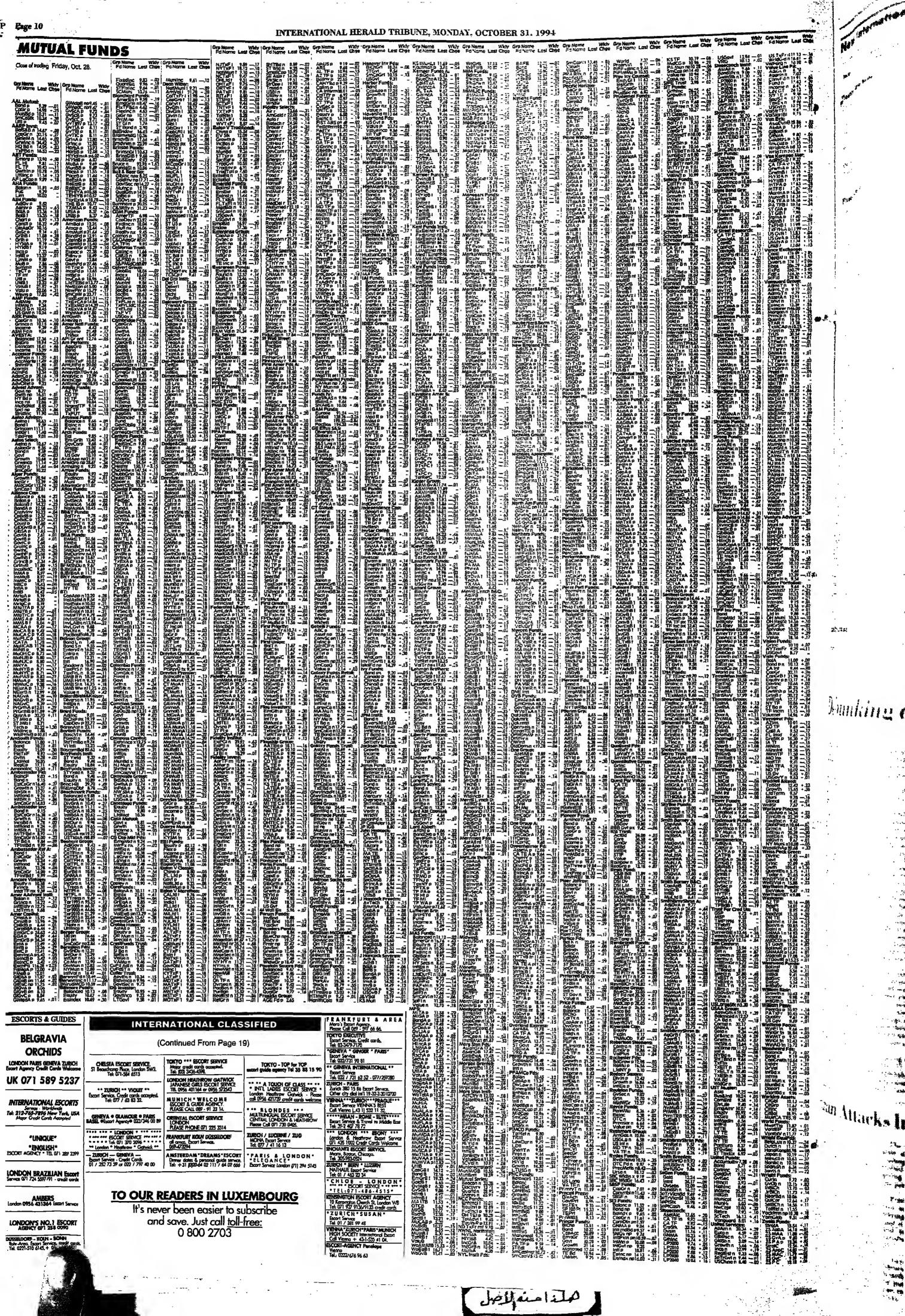
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Floating Rate N	otes					
Citic Pacific Finance	\$200	1997	У,	99.905		Ove: 6-month Libor. Noncollable. Fees 0.30%, Denominal
Compagne	\$100	2001	3/16	100		\$50,000. [HSBC Capital Markets.]  Over 3-month Libor. Redeemable at par in 1999. Fungible
	\$200	2000	3/4	100	-	outstanding asse, raising total amount to \$250 million. 0.25% Denominations \$10,000. [Sanwa Int 1.]  Over 1-month Libor. Average life 4.91 years. Fees
Rheinische	DM 500	2004	Liber			disclosed. (Chase Securities.)  Interest will be the 3-month Libor. Noncalloble. Fees 0.3
	Y 15,000	1998	0.20			[DG Bonk.]  Over 1-month Libor. Noncollable. Fees 0.40%. (Gold
Fixed-Coupons						Sochs Int I)
Electricité de France	\$200	1996	7	100,735	100.19	Reoffered at 97.76. Noncallable. Fees 1%%. (Paribas Co. Markets.)
Johnson & Johnson	\$200	1997	7%	101.052	101.14	Reaffered at 99.865. Noncollable, Fees 1976. (Margan States L)
Johnson & Johnson	<b>\$200</b>	2004	8¼	100.841	100.32	Reoffered of 99.166. Noncollable: Fees 2%. (Morgan Sta Int <sup>1</sup> .)
Morgan Guaranty Trust	\$100	1996	7	100.95	100.70	Reaffered at 99.95. Noncaliable. Fungible with outstantside, taising total amount to \$300 million. Fees 11/1%. Margan.)
Rabobank Nederland	\$250	1998	71/2	101.45	_	Recifiered at 100.05 Noncollable, Fees 146%, (Swiss E Corp.)
Société Nationale des Chemins de Fer	\$200	1998	71/-	100.97	100.19	Recifered at 99.57. Nancallable, Fees 1969. (Paribas Co Markets.)
Swedish Export Credit	\$150	1996	7	101.035	101.57	Reoffered at 99.81, Noncollable, Fees 136%, (IBJ Int'l.)
		1996	Zero	87.83	_	Reoffered at 87.31, Yield 7.021%, Nancollable, Proceeds 5 million. Fees not asclased. [Daiwa Europe.]
Trans-Tokyo Bay Highway	\$200	2004	87%	99.662	99.38	Noncollable, Fees 0.325%. (Bank of Tokyo Capital Market
DSL Finance	DM 300	1998	71/6	101.425	_	Reaffered at 99.90 Noncallable. Fees 1%%, (CSFB, Effections).]
Export Development Corp.	DM 200	1998	7	101.87	_	Nancallable, Fees 14%. (Merrill Lynch.)
J.P. Morgan & Co.	DM 250 -	1998	71/4	102.05		Reoffered at 100%. Noncallable, Fees 2.15%, (J.P., Morga
			11			Noncallable. Fees 11/4%, (Deutsche Bank.) Noncallable. Fees 11/4%. (Credito Italiano.)
Vereinsbank	<u> </u>				100140	
Landesbank						Noncallable. Fees 116%. (Banca Nazionale del Lavoro.)
	DF 250	1999			99.90	Noncallable, Fees 13/%, (Banca Commerciale Italiana.) Reoffered at 99.80, Nancallable, Fees 13/%, (Abn-Am
DSL Finance	ECU 100	1999	8%	101.443	9934	Bank./ Reoffered at 99.818. Noncollable. Fees 1%%, (Barclays
European Investment	C\$ 165	2001	9	101.345	_	Zoete Wedd.)  Reoffered at 99,77. Noncollable. Fees 1%%. (Wood Grun
Bank General Electric	Cs 125	1999	8%	101.602	_	Reoffered at 99,977, Noncollable, Fees 1 %%, (ScatioMobile
Capital Corp.						
Hypotheken Und Wechisel Bank	- FA (63)	1777	7.74	191,13		Noncollable, Fees 11/1%, (Hambros Bank.)
Bayerische	Aus\$ 100	1999	10	100.97	_	Noncollable, Fees 2%. (Hambros Bank.)
New South Wales	Aus\$ 100	1997	41/2	88,961		Semiannually, Nancallable, Fees 1%%, Denominati Aus\$10,000, [Nanura Int 1]
Queensland Treasury	Aus\$ 250	1996	8%	99.766	99,70	Sementucity, Noncollable, Fees not disclosed. [Merrill Ly Int'l.]
Landesbank	¥ 15,000	1997	Zero	89.65	_	Yield 3705%, Noncollable, Proceeds 13.4 billion yen, Fees disclosed, (Norinchyka Inf.).
Rheinland-Ptotz  Equity-Linked						Assessment In the second secon
Hutchison Delta Finance	\$250	2001	7	100	-	Semannually, Noncollable, Mandotorily convertible into ac pony's shares upon first anniversary of leited public offeri Terms to be set at a later date. Denominations \$10,0 [Peregrine Coptol.]
	\$100	2004	open	100		Coupon indicated at 6% to 7%%. Callable at por in 19 Convertible at an 10.22% premium, Fees 25%, (Swiss Br
	Citic Pacific Finance Compagne Financière de CIC Manhattan Card Co. Rheinische Hypotheken Bank J-Cars Corp.  Fixed-Coupens Electricité de France Johnson & Johnson Johnson & Johnson Johnson & Johnson Morgan Guaranty Trust Rabobank Nederland Société Nationale des Chemins de Fer Français Swedish Export Credit Trans-Tokyo Bay Highway DSL Finance Export Development Corp. J.P. Morgan & Co. Austria Bayerische Landesbank Norddeutsche Landesbank Rabobork Nederland Drescher Int'l Finance  DSL Finance  European Investment Bank Rabotheken Und Wechisel Bank Bayerische Hypotheken Und Wechisel Bank Bayerische Vereinsbank New South Wales Treasury Corp. Gueensland Treasury Corp.	Citic Pacific Finance \$200  Compagne Financière de CIC  Manhattan Card Co. \$200  Rheinische DM 500 Hypotheken Bank  J-Cars Corp. Y 15,000  Fixed-Coupons  Electricité de France \$200  Johnson & Johnson \$200  Johnson & Johnson \$200  Morgan Guaranty \$100  Trust  Rabobank Nederland \$250  Société Nationale des \$200  Chemins de Fer Franças  Swedish Export Credit \$150  Swedish Export Credit \$100  Trans-Tokyo Bay \$200  Highway DSL Finance DM 300  Export Development DM 200  Corp.  J.P. Morgan & Co. DM 250  Austria m. 200,000  Bayerische m. 150,000  Vereinsbank  Norddeutsche m. 150,000  Drescher Int'l Finance DF 250  DSL Finance ECU 100  European Investment Cs 165  Bank  General Electric Cs 125  Copital Corp.  Bayerische Aus 100  Vereinsbank  Robotheken Und  Wechisel Bank  Bayerische Aus 100  Treasury Corp.  Queensland Treasury Aus 250  Corp.  Gueensland Treasury Aus 250  Corp.  Queensland Treasury Aus 250	Citic Pacific Finance \$200 1997  Compagnie Financière de CIC  Monhattan Card Co. \$200 2000  Rheinische DM 500 2004  Hypothelen Bank  J-Cars Corp. Y 15,000 1998  Fixed-Coupons  Electricité de France \$200 1996  Johnson & Johnson \$200 2004  Morgan Guaranty \$100 1996  Trust  Rabobank Nederland \$250 1998  Société Nationale des Chemins de Fer Français  Swedish Export Credit \$150 1996  Swedish Export Credit \$150 1996  Trans-Tokyo Bay \$200 2004  Highway DSL Finance DM 300 1998  Export Development DM 200 1998  Export Development DM 200 1998  Austria m. 200,000 1997  Rayerische m. 150,000 1996  Vereinsbank  Nordeutsche In 150,000 1996  Landesbank  Rabobank Nederland m. 150,000 1997  Dresdner Int'l Finance DF 250 1999  DSL Finance ECU 100 1999  European Investment Cs 165 2001  Boyerische Hypothelen Und Wechisel Bank  Boyerische Landesbank  Robotonk Nederland M. 150,000 1997  Furosun Investment Cs 165 2001  Boyerische Hypothelen Und Wechisel Bank  Boyerische Vereinsbank  New South Wales Treasury Corp.  Queenstand Treasury Aus 250 1999  Landesbank Rheinland Treasury Corp.  Queenstand Treasury Aus 250 1996  Kheinland-Pfolz	Citic Pacific Finance   \$200   1997   ½	Carinopagnie   \$100   1997   1/2   99,905	Citic Pacific Finance   \$200   1997   ½   99.905   —

ties and things that go bump in the night. And then there is the most frightening specter of them all (at least on Wall Street): the Mutual Fund Death Spiral

This is the fear that a decline in the stock market will cause investors to bail out of equity mutual funds.

er laws

That would force fund managers to sell stocks, driving prices down. That would spook more fund investors into fleeing into money markets, forcing fund managers to sell more stocks, driving prices down still more, spooking more fund investors and - well, you get the picture.

The companies that sell funds argue that such fears are overblown and that fund investors are in for the long haul. Now these would-be ghost-busters have some new ammunition in the form of a statistical study done by Zwen Goy.

Looking at data from 1987 through mid-1994,

the CS First Boston economist found that mutual fund flows do not cause changes in the market. True, the market has been rising since 1987,

and so have sales of mutual funds. But statistically, Ms. Goy could not find a cause-and-effect relationship. "It's not that mutual fund flows have no consequence," she said. "But they are not the most important thing. It's a very minor effect."

The Death Spiral is haunting the Street this Halloween season because investors seem finally to have cooled a bit on stock funds. Money is still flowing in, to be sure, but at a slower pace.

In September, the most recent month for which complete data are available, Americans put \$8.1 billion into stock funds, a buge sum but still less than the record \$14.1 billion they invested in August, according to the Investment Com-pany Institute, the mutual fund industry's trade and lobbying association.

A lot of that money is not even going into the domestic stock market. Last month, 35 percent of the inflows went to funds specializing in foreign securities; in August, it was closer to 40 going on; psychologically, fund flows are under-percent. Furthermore, many funds categorized lying everybody's bullishness."

Investors put an average of \$1.4 billion a week into the stock funds AMG tracks, down sharply from an average of \$2.1 billion a week in August.

The sharpest eutbacks appeared in the more aggressive U.S. stock funds; investors actually took money out of aggressive growth funds in the week that ended Oct. 26. Investors may have been reacting to lackluster

market performance - but maybe not. Ms. Goy found that not only do fund investors not cause stock market changes, they also do not react much to the market after it moves. In fact, investors put about the same amount

of money into funds no matter how the market is doing. The reason, she said, is that most households are saving for long-term goals and do not generally play the market with mutual funds. Admittedly, fund investors do take money out

if the stock market is falling, or if they suspect it may soon do so. Even so, Ms. Goy noted, "We had buge redemptions in 1988, yet the market went up 15 percent that year."

At first blush, the findings seem to fly in the face of the laws of supply and demand, which many people assume to mean that if demand for yen range and and rebound to stocks plunges because people stop investing in mutual funds, stock prices should fall, too.

"If nothing else changes, that may be true, but so many other factors are involved," Ms. Goy said. Corporate earnings, inflation, overall economic growth and, primarily, interest rates all At a Glance have more effect on stock prices than fund flows.

But Charles Biderman, editor of the newsletter Liquidity Trim Tabs, says that fund flows are very significant. "In every market there's a dif-ferent key component to liquidity, and funds are probably key in this market," he said. "If there's an outflow from stock funds, it would be very important regardless of anything else that is proposed to the said. "If there's important regardless of anything else that is being fire on the said." If there's are under-thing fire

# **Tehran Attacks Inflation**

TEHRAN — In its battle after sharp rises in prices, inagainst steep price rises for consumer goods, Iran says it will trolled by the government, trig-

teering and hoarding. Tehran Radio reported over the weekend that more than jani, announcing the anti-profihandle violators of the new pol-

There is no reason for people to worry about any shortage of the announced goods," it said. "The government has intic production or to import."

\_\_\_\_\_

forced to import nearly 50 mildeath penalty to control profi-

President Hashemi Rafsan- cultural University predicted. 1,000 state courts were ready to teering drive earlier this month. Sunday said China's annual desaid it was aimed at profiteers mand for grain will reach 547 and hoarders "who were not million tons, while output will satisfied with reasonable prof- hit only about 500 million tons.

Justice Minister Esmail Business Weekly said, quoting creased the supply of the necessary goods. Rial and hard cur-

## China Faces Rise In Grain Imports

Compiled by Our Staff From Dispatches BELIING - China will be rising demand, the Beijing Agri-

A university report published That means 47 million tons will have to be imported, the official

5
Devische mark 415/16
Pousd starling 59/16
Freach tranc 57/16
ECU 511/16
Yes 25/16 ren cy credits have been be punished under laws which conservative annual growth especially conservative ann next six years.

#### The Week Ahead: World Economic Calendar, Oct. 31 - Nov. 4

financial events, compiled for the Interna

Asia-Pacific

P Det. 31 Cambodie King Siha-

Tokyo October new vehicle sales and ed Cosmo Oil, Japan

day.
Sri Lanks Deepavati holiday.
Earnings expected Kometsu, I Materials, Mizuno.

• Nov. 3 Fiji Deepavati holiday.
India Diwali holiday.
Japan Culture Day holiday.
Materials. Deepavati holiday.

Europe

metals prices.

**DOLLAR:** 

Still Pressured

when it tops 1.5200 DM.

Continued from Page 9

port a a backlog of European

exporters waiting to sell dollars

John Lipsky at Salomon Brothers in New York said that

"until convincing signs of a deceleration in demand growth are evident, the U.S. market will remain vulnerable to indicators

of higher inflation. Until the risks of higher U.S. yields recede, the dollar also likely will remain under pressure."

their first measure of fourthquarter activity when purchasing managers announce their October orders and when last month's employment data are

The following week brings congressional elections, which could signal two years of policy

paralysis if the Republicans win both bouses, and the next week

is the Fed's policy-making

trade in a range of between 1.48 DM and 1.50 DM," said Ron

Leven at Morgan in New York.

once moved rates more than half

a point - when it lowered rates

75 basis points after the October

1987 crash - Mr. Leven said the

Fed was unlikely to raise rates by more than half a point.

to rise at year-end and into the early months of the new year.

Mr. Leven does not rule out a

short-term rally. But be said the

dollar would remain in a down-

trend until the Fed completes its

Details | Color | Colo

bourg Stock Exchange.

\$ Non5 \$ Rous\$ 11,029.00 19,762.40 26,453.63 38,391.20 323.60 4023.0 1,365.70 1,397.30 7,234.60 1,345.40 25,276.10 5,964.60 5,958.10 12,057.00 18,347.00 22,270.00

2534530 34,167,30 43,443,20 59,845,70

3-month 5 11/14 5 3/16

Oct. 27

Oct. 28

tightening late next year.

the lower 90 yen range.

Euromarts

**Eurobond Yields** 

**Weekly Sales** 

Noting the dollar's propensity

With the Fed having only

Until then, "the dollar should

released Friday.

meeting on Nov. 15.

supplies of new government securities.

The market bounced up on Friday when the

gross domestic product report indicated that

even though the economy grew at a healthy 3.4 percent annual rate in the third quarter, inflation

remained low. Traders said some of the gains

reflected short-covering, as well as the assistance

provided by the dollar's gains and lower precious

Ted Reed, chief investment officer for Back Bay

Advisers in Boston, said the Friday report was just

the kind of data Fed officials were hoping to see.

recent weeks that Fed monetary policy has not

been sufficiently aggressive, the report's figures

"suggest their preemptive strikes since February

were the right medicine," Mr. Reed said.

Despite all the bond market's concerns in

on, manufacturing output and orders. Brussels October unemploy Ameterdam September CPI.

Nov. 1 Cop Europe Markets in Beigtum, France, Italy, Spain and Portugal closed for holiday. London Bank of England bulletin and

. Hev. 8 Cope



**Bonds Confront New Hurdles** 

NEW YORK - The U.S. bond market could when it deals with some potentially strong reextend a rally in the early part of the week, but ports on how the economy started off the fourth eventually prices are expected to retreat in the quarter, especially the October payrolls data.

"I would expect some carry-over in the early

Biehl & Kaiser Inc.

Micheletti said.

start to arrive.

Americas

Oct. 31 Washin onal income and spending October apricultural prices. Ottawa August gross do: Caracas Financial mark

Eernings expected Adolph Conra

ngs expected Borg-Warner Seculoneficial, Cabot, Emerson Electric rry, senencia, cabot, Emerson Electric, First Brands, General Nutrition, General Re, Harmon Industries, Hong Kong Tele-communications, IHOP, MBIA, Osten. • New. 2 Washington September fac-tory orders and leading economic Indicators. Federal Reserve Board releases re

tors. Product reserve countries re-port on economic conditions.

Ottawa Business conditions survey of manufacturing industries for October. Seo Paulo Banks, stock exchanges and lederal offices closed for Ali Souls' Dey. lederal omoss closed for AS Souls Dey.
Medico City Financial markets and federal offices closed for Day of the Dead.
Earnings expected. Borg-Warner Automotiva, CNA Financial, Columbia Hospinal, Outboard Marine, Snapple Beverage,

New 3 Washington September new home sales. October chain store sales.

But the market's firmer tone will be tested

part of next week, then perhaps the market will sell off ahead of the employment report" to be

released Friday, said Arthur Micheletti, ehief

economist and investment strategist at Bailard,

"Until we're past this period where people are

But Michael Strauss, chief economist at Ya-

The approach of the 3- and 10-year sales the

But traders say a genuine rally could carry the

following week may prove another stumbling

worried about Fed rates hikes, it's going to be

difficult for the market to sustain a rally," Mr.

maichi Securities, expects the market to be hit with "rounds of selling" when the week's data

#### Last Week's Markets

All figures a	ne os of cito.	se of tradin	or der			
Stock II	ndexes	3		Money Rates		
United States	Oct. 29	Oct. 21	Ch'9e	Upited States	Oct.28	Oct. 21
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OT ABU	181.45		+ 1.10 %	h-ime rate	74.	74.
DJ Trons.	1.536.77		+241.5	Feleral lunds rate	434	4  1/16
S & P 100	437.28	430.72	+ 1.94 %	Jopa,		
5 & P 500	43.77		+ 1.91 %			134
S&P Ind	561.94		+1.05 %	Discourt	134	
NYSE CP	257.43		+1.50%	Call many	222	256
Britain		2027	T 120 %	3-month interbook	2 5/16	2 5/16
FTSE 100	3.083.80			Germany		
FT 30	2345.10		+1.68 %	Lombard	6.00	6.00
	2,345.10	2333.70	+0.49 %	Call maney	4.85	4.90
<u>Jeson</u>				3-month Interbenk	Sia	5.20
Nikkel 225	19,805,16	19,899,08	-0.47%	Selfain apercons	34	
Germany						
OAX	2,040,32	2.022.22	+ 0.90%	aank base rate	5%	574
Hone Kone				Call money	6 <sup>1</sup> .	SVa
Hone Sens	9,379,47	9.338 90	+0.44%	3-month interbank	604	5 15/16
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MSCIP	433.80	(22.20	0.55 %	London p.m. flx.5 387.	70 390 95	-043

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# Rate Swap Suits: The Plot Thickens

New York Times Service NEW YORK - The wonderful world of interest rate swaps has largely been hidden ended up taking amazing risks. Gibson says it took the riskibig losers in the game cry foul and sue, more is coming to

Last week, Procter & Gamble became the second Cincinnati company to sue Bankers Trusi. Like Gibson Greeting Cards a few weeks earlier, P&G sees itself as a swindled innocent that relied on the advice of a slick New York hustler and lost mil-

Bankers Trust, in its response to the Gibson suit, paints a far different picture. It was no trusted adviser, it says, just a

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AMSTERDAM DEPOSITARY COMPANY N.V.
Amsterdam, 28 October 1994.

ments of the claims, but it is clear that Gibson and P&G

from public view. Now, as some est of those chances only under duress, when losses were piling up from other bets whose desays it relied on promises from Bankers Trust that it could get oul before the losses mounted.

Behino both cases is a trend that grew in the 1980s: the corporale treasurer as a profit center, able to use sophisticated means to make money on idle

More and more they turned to banks for clever ideas and, if these cases are any example, accepted risks that they did not understand.

In a simple interest rate swap, a company paying a fixed rate on a bond issue agrees to

P&G and Gibson, but in their cases they agreed to complex formulas that meant the rates they paid could soar. Under P&G's main formula, the comto pay over 30 percent a year,

der a complicated option that Bankers Trust did not explain. Bankers Trust says there was

### NASDAQ NATIONAL MARKET

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	(	ay, Oct. 28. (Continued) Ma <sup>30</sup> Same Law See The	imunes imuni vi imunind imacisv imarisc imacisc imacisc	1 15/10	6736 14 - 46 14 - 1776 4% - 1408 3 - 412 16\a 6 563 11\a	137
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The company says Bankers Trust promised it could get out well before that happened, unno option deal al all, just a promise to quote a price,

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# SOLIDERE

The Lebanese Company for the Development and Reconstruction of the Beirut Central District, S.A.L.

#### Prequalification of contractors to design and build sea-front defenses in the Beirut Central District

Established on May 5, 1994, the Lebanese Company for the Development and Reconstruction of the Beiruz Central District, SOLIDERE, is in charge of financing and executing infrastructure and marine works within the city center of Beirut and of developing this area, spreading out over 1.8 million square meters.

SOLIDERE will also treat a dumping site of 250,000 square meters, created on the waterfront during the war in the absence of an alternative site for refuse. Disfiguring the coastal facade of the city, this major local and regional environmental problem, will be treated, transformed, and expanded into development and public lands of approximately 600,000 square meters to include a vast green park, a seaside boulevard, tree-lined promenades, and residential, commercial and office spaces.

The reclaimed land will be protected against storms by sea-front defense structures extending over a distance of more than 1000 meters. The structures form part of a double line of defense, comprising a row of submerged caissons, some reaching 19000 tons each, a lagoon and a series of quays and promenades. The caissons will be in water depths of about 20 meters with a crest level at - 0.5 meters so that they will remain invisible from the shoreline,

A marina will be constructed at each end of the sea-defense structures.

providing an unobstructed view of the sea.

SOLIDERE wishes to develop a bidders' list for the Design and Construction of the sea-protection works highlighted above. International contractors who have already executed similar works, and who have access to the appropriate type of equipment, are invited to submit a pre-qualification document to the address below, to be received not later than November 15,1994.

Contractors who have submitted an Expression of Interest document for these works do not need to take further action, unless they wish to add to the information already provided.

Based on the information received from contractors, SOLIDERE will establish a short list for invitation to tender.

The Lebanese Company for the Development and Reconstruction of Beirut Central District, S.A.L. Development Division Riyadh ei Soih Street

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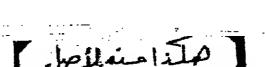
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# **Channel Islands Increase Their Draw**

Even Banks from Offshore Rivals Set Up Shop in Jersey and Guernsey

By Erik Ipsen

ONDON - In the most rarefied strata of the private banking world — where the accounts are hefty, the desire for secrecy high and the distaste for taxes even higher — a

major battle is quietly raging.

The established fitans of that business, Switzerland, Luxembourg and tiny Liechtenstein, are under siege.

In Liechtenstein and Luxembourg, there is fear that taxes will rise. In Switzerland, there is that plus a suspicion that Swiss secrecy is not what it once was.

And nowhere is all this news being more joyously received than in the Channel Islands of Jersey and Guernsey.

In Guernsey as recently as 1986, there were no Swiss banks. Today there are 14,

were no Swiss banks. Today there are 14, accounting for 40 percent of the assets of the island's 68 banks — assets that have quadrupled in the last half-dozen years. In Jersey, the number of banks now stands at 78—roughly one for every 1,000 residents and a 10 percent increase in the past year. "Customers are keen to do business here," said Peter Crook, superintendent of banks for the Jersey Financial Services Commission. For the banks, he lists the island's attractions as "cheaper costs and no EC red tape." For their customers, he concedes, "our taxes are an advantage." concedes, "our taxes are an advantage."

Jersey and Guernsey impose a maximum tax of 20 percent, and only on residents. Nouresidents pay no taxes. At present, that puts them just even with the likes of Liechtenstein, Luxembourg and

Switzerland — but only at present.

To the delight of its rivals, Luxembourg under pressure to join its fellow European Union members in imposing a withholding tax on various bank accounts. German authorities from Chancellor Helmut Kohl on down have recently criticized Luxembourg for allowing Germans to cross the border to avoid paying taxes. Many bankers say that those criticisms alone have caused considerable sums of

money to leave that country. "If the European Community decided that Luxembourg was a big enough thorn in their flesh and forced them to levy withholding taxes, I do not think we would be able to cope with all the business we would get, said Charles Tracy, managing director of N.M. Rothschild & Funds (C.I.) Ltd. in Guernsey.

Both Switzerland and Liechtenstein,

meanwhile, will collect a 6.5 percent valne-added tax on fees charged by their banks beginning next year. Some Swiss bankers fear that even that small levy may sit poorly with some of their customers.

For Liechtenstein, the VAT provoked a near-crisis this autumn when it appeared the tax would be collected, as most taxes in Liechtenstein are, by Swiss authorities. That would have forced local banks to do something they were not at all happy about doing — show their client lists to Swiss tax officials. In the end the need to preserve confidentiality carried the day, with Liechtenstein agreeing to collect its

Liechtenstein faces other problems, however. In a country that recognizes trusts, Liechtenstein's five banks have long benefited from huge flows of business from Switzerland, where trusts are barred. Typically, private-banking clients went to their Swiss banks, which would do the paperwork to set up a trust and then turn the account over to a Liechtenstein

Now we don't have to," says a delighted senior Swiss banker, now that the banks have moved much of that business to their own branches in the Channel

Guernsey and Jersey also increasingly appeal to Swiss banks trying to cut costs. "Switzerland has the highest banking costs in the world," complains a senior manager in Guernsey for Crédit Suisse, now the largest bank on the island.

To make that cost case even more compelling, many of the Swiss and other for-eign banks do much of the work of managing their private accounts in their offices in London. The business is booked in the Channel Islands only for purposes of tax and secrecy — although in the latter case, the preferred word in the Channel Islands is "confidentiality."

Of all aspects of private banking, secre-cy — or confidentiality, as the industry calls it — remains one of the most impor-

tant and perhaps the most controversial.

The majority of the business on the islands does not depend on a neurotic obsession with secrecy," insists David Henshaw, chief executive of Kleinwort Benson's two Channel Islands banks.

Secrecy nonetheless remains important. Noting the recent move by many Swiss banks to the Channel Islands, Jochen Haddermann, managing director of Cen-trum Bank in Liechtenstein, attributes it in part to "recent changes in Swiss law." Specifically, Swiss authorities now re-

quire their banks to know the beneficial owner of their accounts, a requirement that does not hold in either the Channel Islands or Liechtenstein.

These days, bankers universally insist that confidentiality has its limits, no matter what clients may choose to believe. Mr. Haddermann, for instance, says that although his bank is willing to accept blind accounts, the lawyers making those referrals have to be able to attest that, as he puts it, "It is not dirty money, that it is clean money and that it stays that way." Other bankers point out that, if for

example a major crime had been committed in a powerful country, chances are the authorities of that country will be able to force banks in any offshore financial center to divulge information on accounts connected with the crime, regardless of local laws on disclosure.

The key to preserving at least the allimportant image of confidentiality is to



The town of Saint Peter Port, in Guernsey.

keep nefarious elements out - something

from funds under his control there.

and they will likely go after it."

reputation for vault-safe secrecy.

International, or BCCL

worked there. "Tax authorities see a

Liechtenstein structure on your accounts,

Switzerland, too, in recent years has had

its confidentiality laws tested and, some say, found wanting Run-ins with U.S. authorities over the fugitive financier

Mark Rich, among others, have dented its

In contrast, the Channel Islands have

had the good fortune to avoid major scan-

dals. Authorities there, for instance,

proudly point out that they balked at granting a banking license to the now-infamous Bank of Credit & Commerce

With strict limits imposed by their tiny

labor pools, both Jersey and Guernsey

have been able to be selective about their banks. "Ninety percent of our banks are

in the top 500 banks in the world in terms

**Growth in Channel Island Banking** Number of Banks Number of Deposits in billions of pounds Guerrisey Guernsey '86 '87 '86 '89 '90 '91" '92 '93

not all banking authorities have always succeeded at. Liechtenstein's reputation, for instance, was sulfied after the death of Robert Maxwell, when it was alleged that he had parked some of the money looted What is more, most of the regulation of those banks is done in their home countries, an idea that has gained force since the 1991 collapse of BCCI amid massive fraud and other criminal activities. "Liechtenstein bas become a provoca-tive place," said a London banker who has

As merely the host country regulator,

tor of the Jersey Financial Services De-

Mr. Vignell's responsibilities are far more limited. That may be just as well, given the fact that, as he says, the Jersey Financial Services Department has a staff of "three and a balf people."

ERIK IPSEN is the London correspondent of the International Herald Tribune.

# Luxembourg **Confounds** Doomsayers

**Business Growing** Despite Warnings Over Haven Status

By Martin Baker

UXEMBOURG — Success may have a thousand fathers, but in the international banking industry it also generates a fair number of detractors. A classic example of this syndrome is afforded by Luxembourg's history as a financial center and by some of the predictions about its future made by competitors in the private banking indus-

try.

To judge by the figures alone, Luxembourg's growth as a financial center over the past decade has been remarkable. Statistics provided by the Association des-Banques et Banquiers Luxembourg, the country's banking industry representative body, show the number of banks resident in Luxembourg roughly doubling between in Luxembourg roughly doubling between the end of 1983 and the end of last year, to 218 from 114. Assets under management in the country almost tripled over this period from 6, 592 trillion Luxembourg francs (\$214.24 billion) to 16.021 trillion

The figures lumped together all types of banking assets — thus failing to provide a precise track of the growth of private banking. But the private banking sector itself appears to fit easily into an overall picture of success,

But there are those who say that the statistics represent only the most partial of truths. Those who favor other traditional private banking locations, such as the Channel Islands, Switzerland and the Ba-hamas, allude to the aggressive noises coming out of Germany, and in particular the oft-repeated statement by the German finance minister, Theo Weigel, of his in-tention to introduce withholding tax on bank deposits across Europe. This would hit Luxembourg directly, since a major part of its attraction to international in-

Continued on Page 16

## of size," says Roger Vignell, deputy direc-Promise and Peril Ahead for Hong Kong

By Kevin Murphy

TONG KONG — Deepening pools of wealth have lured international private bankers to Asia in waves. But bankers and financial advisers say turbulent waters lie ahead as a market in flux adapts itself to local needs and increased competition. "That Chinese and Western individuals

of wealth out here want more private banking is indisputable," said Nick Bent-ley of the financial advisers Bentley Reid & Thomas (HK) Ltd. "There is an enormous need for such services."

"The problem is that the individual's perspective on what they need is totally different than what private banks provide," Mr. Bentley added, noting that many of Asia's fortunes had been made in as short a period as the past 10 to 15 years. Long the crossroads of Asia, Hong

Kong remains a resting place for highly mobile cash from elsewhere in the region. Economic success — or strife — in other Asian countries is often measured anecdotally, but accurately, by flows of capital to and from accounts managed in the British

While some bankers see customers from the Philippines repatriating more money to take advantage of an economic boom there, others report a steady stream of wealth flowing out of China-

Entrepreneurs and polincians who have already profited from China's dramatic reforms appear eager to hedge against risk to their personal fortunes now that inflais tion in China has topped 27 percent annu-

Hong Kong, which is due to revert to Chinese control in 1997, is also registering an outflow of funds, according to one Swiss banker - who, typically, was unwilling to be quoted by name. "When I first arrived here one year ago,

people were quite bullish," the Swiss banker said, "But now I think this is going to be a private bankers' paradise. A lot of money here is eventually going somewhere

With more foreign banks chasing a high-net-worth clientele, Hong Kong has become increasingly a melting pot of international approaches to private bank-

For every Swiss-style bank discreetly providing long-term relationships and cautious advice on fixed-term bank deposits and capital transfers, an American investment bank's private client department is offering risky derivatives to deep-pocketed punters who want to dabble in the latest instruments available in world financial markets.

"Many of our clients give us money just because they don't want to worry about it," said the Swiss banker. "We're expected to safely generate 10 to 15 percent returns. They make the 20 to 50 or 100 percent return in their own business

At their extremes, wealthy customers want impeccable investment advice from

'I think this is going to be a private bankers' paradise. A lot of money here is eventually going somewhere else.

friendly bankers of longstanding and low-risk, high-yield returns — all for minus-

Meanwhile, private banking operations at their worst seek only to develop a trusting, captive source of funds to be tapped for deals dreamed up by the merchantbanking and syndication arms of their parent companies.

"Some very important houses are not behaving responsibly in this market at all," said one senior executive of a European private bank with offices in Hong Kong, referring to a string of derivative investments gone badly wrong. "And many customers want higher returns than time deposits, but they don't want to take

much risk." In between are clients who want a little of both and banks trying to decide how far to move toward becoming a "one-stop shop" for all their clients' financial-management needs.

"In a European environment one tends to find that private-banking customers seek much more substantial planning for all their investments," said Richard Harris, chief executive of Jardine Fleming Investment Services.

"In Asia, that's not the case. A lot of millionaires are recently created, and they are most likely to say This is a pool of money I want invested now," said Mr. Harris — whose firm, through its links with other units of Jardine Matheson Holdings Ltd. and its co-parent, the Brit-ish investment bank Robert Fleming & Co., comes close to offering one-stop financial services shopping.

Jardine Fleming, which has had a low-profile private banking operation for about 20 years, has devised a "wealth management" system that it says can handle almost any financial, legal, property, insurance or accounting task, either on an in-bouse basis or by referral to long-established contacts at law firms.

"The things we do well, we work on; those with which we don't bave expertise. we pass on to someone we trust," Mr. Harris said. "But while we deal primarily with family companies, there are no formal in-bouse arrangements. Otherwise one can be open to criticism about fees and rebates."

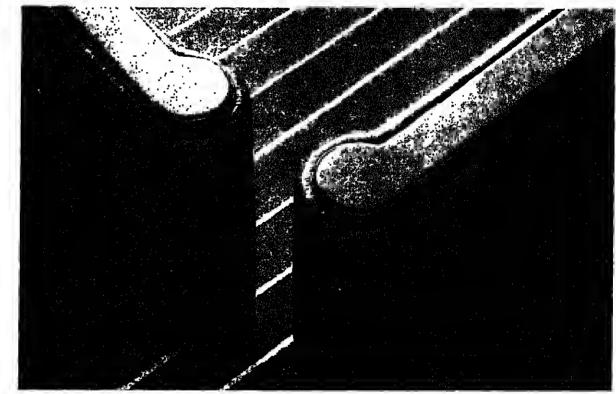
There is broad agreement in the industry that convenience and comprehensiveness in personal financial management and planning will become increasingly important to customers. But should any one group be trusted entirely with a person's

"There is a dangerous trend developing in private banking in the Far East," said Nick Bentley. "Once banks develop the client base, some just flog new products at it. It's a risky move away from conventional investment; it's not the private banking clients think they understand."

Mr. Bentley, as a financial planner, naturally favors a role for intermediaries in the process, arguing that a split in roles between advisers and the sprawling banks is more likely to result in objectivity about a particular investment.

"Thirty to 40 percent of our business is now introduced from private banks them-selves," said Mr. Bentley. "We've moved Continued on Page 16

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# Performance: Getting Easier to Judge

By Martin Baker

HE management performance of a private banker has traditionally been one of the profession's bestkept secrets. The banking profession can and does provide a host of reasons for its failure to publicize its success (or otherwise) in managing its clients' money. Words such as "discretion" and "confidentiality" abound.

But the private banking industry is changing: The pressure of increased competition is beginning to force this niche of the financial industry to throw some light on investment performance.

Instrumental in the slow lifting of the veil has been investors' increasing use of financial advisers, says Antbony Yadgaroff, managing director of Allenbridge Group, a London-based performance monitoring firm. "In the last few years there has been buge growth among profes-sional evaluators of those who manage money on a discretionary basis and of fund managers," be said.

But Mr. Yadgaroff counsels against using advisers who are "just performance chasers," saying that investors should gather and evaluate their own information and turn to "specialist advisers who will understand the investors' risk tolerances and find the appropriate discretionary manager.

Not long ago, gleaning information on how a private bank had performed with its clients' money was almost impossible. Investors were often reduced to word-of-

mouth methods. "You would bave to ask friends how their money had fared at such-and-such a bank." said one New York-based private banker who spoke on condition of anonymity, "Now things are different. Discretionary managers are publishing model portfolios, and it's possible to see how the bypothetical client would have fared and make a more or less even comparison."

Christopber Kwiecinski, Paris-based director of investment management at the private banking arm of Paribas, concurs: "There has been a shift to openness and more transparency. Banks are publishing model portfolios and tend to provide more information on a regular basis."

Model portfolios may be a step in the right direction, but investors should be careful about making comparisons, warns Angus Cruicksbank, a director of Guinness Mahon private bank in London: "It really depends on what a client wants, on what level of risk be is prepared to take. A lot turns on bow sophisticated the individual is, what levels of risk he can understand, what losses he can tolerate. A comparison between lots of figures that only tell you about performance may change dramatically depending on what time period you take. Statistics can be read almost in any way you like."

Robert Brown, deputy managing direc-tor of Cantrade, a Zurich-based private bank owned by Union Bank of Switzerland, agrees. Mr. Brown identifies three potential benchmarks against which banks may be judged, according to the degree of risk an investor is prepared to

"The first benchmark is the deposit rate. It might seem obvious to everybody, but if a client isn't getting a return above the deposit rate for extra risk taken, then the risk isn't worth taking."

The second criterion of good performance is similarly universal: "The investor has to ask himself wbether be is beating inflation over the long term. It is in the nature of risk-oriented investment that an investment may underperform in the short term, but if the portfolio is not beating inflation over five years, something is bad-

Finally, the more ambitious, growth-oriented investor will be looking to have investments in a mix of assets, argues Mr. Brown. He says Cantrade has developed a benchmark that is "sensitive to the cir-cumstances of this kind of elient." The principle, he says, is "What is the natural long-term balance of investment for growth?" The Cantrade index is designed for the British investor and is composed of 50 percent U.K. shares, 20 percent overseas securities and 30 percent a "cocktail of index-linked and other defensive secu-

Cantrade measures the performance of model portfolios against its composite benchmark. Mr. Brown concedes that the index is far from perfect but says it provides a rough guide to what individual investors should expect from private bankers who manage their money on a discretionary basis. He argues that this kind of performance measurement promotes greater openness in the industry.

"Partly because of the cloak of discretion, partly because of tax reasons," be says, "the private client can fail to get the benefit of disclosed performance, unlike some others. We are trying to help along the movement for more disclosure in invesiment management."

But, disclosure or not, there are those who reaffirm the point that private banking is a personal service, and the individual needs of each client do not necessarily lend themselves to measurement against a general benchmark.

lan Partridge, marketing director of Chase Manhattan's private bank in Geneva. suggests that in evaluating a bank's performance, an investor should look at the track record of its funds, or those portfolios whose performance is a matter of public record.

But then, he says, the investor should

ask: "What sort of smart investment ideas does the bank bave that fit into the indi-

vidual's own circumstances? Has the bank thought through the individual's own needs and made a proposal which is smart for that investor? Eric Lafeuille, head of Paribas Asset Management in Paris, sums up the marriage between individual need and go-go

performance as being "relative to the cli-

ent's own personal benchmark, which

must be decided on carefully." He adds: "The ultimate measure of success is where we mateb those requirements, of which performance is an important, but not the only, part. You have to look at the fiscal advice, the quality of reporting and the overall quality of the personal service we deliver in determining bow successful we are."

MARTIN BAKER is editor of the International Herald Tribune's Money Report.

# Lean Times for Lending on Artworks

By Aline Sullivan

ENDING against works of art was a big business in the late 1980s. But today, only a handful of financial institutions will arrange such loans for private clients. And they hold out little hope of a return to the boom times.

Demand is still there. Borrowers willing to put up works of art as collateral generally fall into one of two groups: dealers or collectors who want to leverage their existing collections to finance further purchases, or those needing to pay off busi-ness or other deots. Not surprisingly. lenders say, more applications have come from the second group in recent years, although in smaller numbers than they had expected.

As investments, works of art have one big drawback. Although they may offer impressive capital appreciation, they commonly earn no return for their owner between one sale and the next. Instead they cost money, especially to insure and maintain. For private collectors this can be irksome. For art dealers whose livelihoods depend on rapid turnover of stock, it can be disastrous.

But only the most desperate are willing to sell in today's market. Values for most categories of art plummeted in the early 1990s after reaching record highs in the 1980s. Prices are now creeping back in some areas, our few market authorities expect significant gains. Borrowing is of-ten a more palatable, although expensive.

For lenders, the problems posed by works of art as security are legion. Values are often volatile, and valuations sometimes prove unreliable. Although many hanks will make loans with artworks as collateral, most insist on taking posses-sion. Consignment to the bank's vaults.

while it provides no protection against a decline in value, at least provides a degree

of comfort to the lender. But some banks are willing to go fur-ther. Take the case of a client of 20 years standing who approaches his bank wishing to borrow a third of the value of his collection of Matisse drawings, yet keep the drawings in his own home. This is "relationship banking" at perhaps its

most advanced stage. "Making loans against works of art is part of our overall relationship with our private banking clients," said Cathy Bouckley, director of Citibank's Art Advisory Service in New York. "Art is like land in that it is not an income-producing asset. We are able to provide some liquidity without taking possession."

Ms. Bouckley said that this art lending service was only part of the bank's overall wealth management" service for its private clients. Decisions about loan applications are made on the basis of the client's ability to pay as well as the value of the work offered as collateral.

The Citibank Art Advisory Service has been making loans against works of art for

"It is a major part of our private bank-ing business." Ms. Bouckley said. "We have stayed in place during the lean years as well as the boom years. We know the market because we are constantly in the market.

Chase Manhattan Bank, which has a large department devoted to its own art collection, also makes loans to its American private-banking clients using works of art as collateral. Others still in this market include Sotheby's Financial Services in New York, a division of the Sotheby's auction house, and Rosenthal & Rosenthal, also in New York.

But recession and declining art values have made even the most dedicated lenders more cautious. Sothely's Financial Services' portfolio of lours cutstanding has shrunk to about \$1.00 milion from a high of \$250 million in 1989. Its president Mitchell Zuckerman, attributed the drop to a decline in demand as well as more

stringent lending policies. "It is surprising that we didn't see more

demand in the 1990-93 period when recession was so severe," said Mr. Zuckerman, "But loans are up a bit from a year ago." We are seeing a slow but steady recovery.

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Other lenders say the major teason for the drop in demand has been the expense of borrowing against works of art.

OR example, Sotheby's charges interest of three to four percentage points above the prime lending rate, and Rosenthal & Rosenthal charge still more. When art praces are stagnant, borrowing to finance further purchases loses much of its appeal,

Art-based loans are also expensive for the lenders, who have to arrange for the works to be valued. Consequently, the minimum amounts required are relatively. high: Citibank won't consider a loan application for less than \$2 million, the Soth eby's minimum is \$1 million, and Rosenthal & Rosenthal's is \$250,000. Executives of Chase Manhattan declined to comment. on the bank's lending policies.

Borrowing against works of art is more

popular in the United States than else-.. where because lenders in America can have legal control, or a lien, on the work, If the artwork is subsequently sold without the lender's knowledge, the buyer will not obtain title to it. In Britain and most other European countries, lenders making these loans cover this risk through insurance policies.

ALINE SULLIVAN is a journalist in London who specializes in financial typics.

# Answers May Be Elusive, but Here, at Least, Are Some Questions

SK not for wbom the bank works; it works for thee, In other words, the business of assessing a private bank's performance is up to you, the client.

Many private bankers argue that the service they provide is personal, so the marks they score will depend on the requirements of each client, Nevertheless, once the client has defined his expectations, there are a few matters that can always be put to a private bank.

• What do I want?

It is vital to establish elearly in your mind what you want to do with your money. The oldest saw of finance -- that there is no profit without risk - is inescapable bere. The fundamental eboice is between safe investments that provide some income yet still avoid erosion of capital value, and riskier investments that may produce capital growth in the longer term but may also fall in value.

• Is the bank a good money manager? There are two ways of answering this question. One is relatively easy, the other

The first is to judge the bank against a relevant benchmark, If, for example, you have specified that you want income yet

leaving your money on deposit, the bank is clearly not doing its job well, The difficult way is to try to compare

your bank with the competition. Thanks to the secreey that still surrounds private banking, reliable information can be difficult to find. • Is the bank taking risks with my

money? You should insist on regular state-

ments if you have chosen a strategy that subjects your investments to changes in value. If the degree of fluctuation makes you uncomfortable, invest in less volatile assets such as deposi; accounts.

• Is the bank safe? There is no such thing as a guarantee of safety. Sometimes it is difficult to tell just how safe a private bank is.

Some private banks are relatively easy to evaluate, especially the private-banking arms of huge international banks such as Cbase Manhattan or Paribas, which have risk assessments published by international credit rating agencies. In other cases, the investor has to make a decision based on reputation, longevity and the bank's standing in the eyes of informed professionals.

• Is the bank expensive? The usual rule - that the more money

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basis over the last several years, and it will continue to be

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you have, the less you pay — does not apply in private banking. The bankers say this is because of the personal nature of the service. Skeptics say bankers charge fat fees because elients hungry for confidentiality will be unlikely to complain too loudly,

If you have a friend who uses a private bank and is willing to talk freely about fee levels, this may offer a useful guide. As one possible guideline, some say. that charging anything more than 0.5 percent of the assets under management is exorbitant.

Martin Baker

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Private Banking / A Special Report

# How to make Retirement Less of a Joh Wealthy Expatriates Need to Consider How to Make Less of a Job

Weausy Laparet Weausy Need to Consider Establishing a Trust

By Barbara Wall

in a four p the property of the property o ■ HROUGHOUT their lives, most expatriates have accumulated a range of investments on an ad hoc basis. But as retirement The special state of the state beckons, the need for a more structured approach may become pressing, particularly if assets are scattered across the

Control of Mark The financial planning needs of retired expatriates are too diverse for any one coduct or service to be targeted at this particular market," said Peter Stradling, chief operating officer at Courts International Bank in Zuciek "Consequents ther operating outlet at Control international Bank in Zurich. "Consequently, well-heeled individuals tend to look to private banks for a bespoke service."

. . . . . . Stairs the The banking services required and the inc panking services required and spiritual formation snitability of any one particular bank will ultimately depend on your domicile and tax position. The needs of, say, a British national resident in Hong Kong but dominational resident in Hong Kong but domination in Hon ciled in the United Kingdom will be far different from those of an American expathe tree through triate in Europe who has cut all ties with the United States.

> If there are continuing financial obligations in the base country, such as credit card bills or mortgage payments, it may make sense to keep an a account with a local bank. However, as an expatriate's needs tend to go beyond simple day-today transactions, a bank with overseas operations would probably be more appropriate for most.

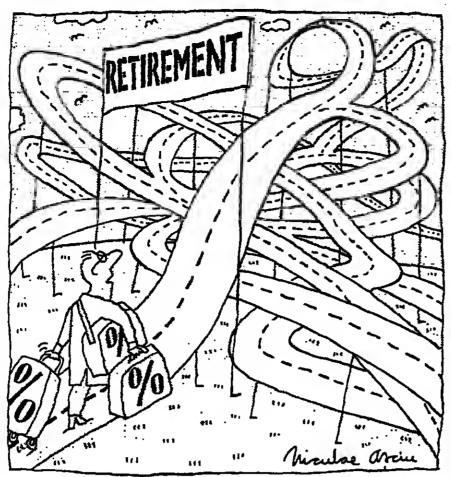
Asset protection is a primary concern of many retired or soon-to-retire expatriates. Having amassed wealth over the years, the last thing anyone wants is for this wealth to be whittled away by taxes, or worse, to be distributed after his or her death according to the laws of the host country rather than the wishes of the deceased.

Many major international merchant TERMINAL ... banks, such as Chase Manhattan Corp. or Kleinwort Benson Group PLC, have sister operations that specialize in the setting up planning purposes. Most of these trust corporations are based in offsbore tax havens such as the Channel Islands or Bermuda.

"If you have property or investments in various different jurisdictions, it makes sense to shelter them all under the trust nmhrella," said Julian Bub, managing director of Chase Manhattan Bank & Trust Cos. in the Channel Islands. "The alternaive is to take ont probate in each country where the assets are located; as well as reing messy, this may not always be feasi-

Trusts are not suitable for everyone, nowever. Few banks will manage a trust or assets under \$1 million, and some jurisdictions, such as France, do not recognize the trust structure. Moreover, Americans overseas may have difficulty persuading a banker that a trust structure is really in their interest.

Christopher Rebindaine, manager of trivate banking for the Guernsey subsidary of the Australian banking company ANZ Grindlays Bank PLC, said that, behause the Internal Revenue Service is less than fond of trusts, many American banks are reluctant to offer this service to U.S. citizens. "They want to be seen to be playing by the rules," he said.
... Where trusts are concerned, profession-



al advice should always be sought from a tax lawyer or accountant. ANZ Grindlays, for example, would not recommend the trust structure to American or British expatriates who intend to move back bome.

"Americans are unlikely to benefit from a trust because of the constraints imposed by the IRS," Mr. Rebindaine said. "Brit-ish foreign nationals, on the other hand, may gain some advantage from a trust structure, but they would have to ensure that they had lost their U.K. domicile status first, and this is very difficult to

John Rhodes, a tax and trust lawyer with the law firm of Macfarlanes in London agrees that American expatriates have to be careful when considering a trust structure. Nonetheless, be says, trusts can be used both as a shield against taxes and for estate planning in certain circumstances, provided the client is not obviously trying to avoid taxes.

Once estate planning has been taken care of, the bank can get down to the task of managing the investments. "Retirement doesn't automatically mean that walls have to be built around invest-ments," said Geoff Roberts, manager for husiness development at Lloyds Bank in the Channel Islands.

But if the client is returning home from a long spell overseas, some precautions will have to be taken in relation to currency exposure, he said.

"A British foreign national returning to the U.K., for example, will want to ensure that the majority of the investment portfolio is denominated in sterling at least a year before the repatriation. As the client may also be exposed to capital gains tax on returning bome, we would advise that capital gains accruals are 'bed and break-fasted' before the U.K. tax authorities get wind of them."

"Bed and breakfasting" refers to a complex procedure in which an asset is sold and then quickly reacquired before its owner returns to the United Kingdom, as a means of avoiding liability for capital

In addition, the investment portfolio may have to be re-worked to provide additional income if the expatriate is returning to a country where the cost of living is

higher.
"Depending on the extent of the client's BARBARA WALL is a journalist based in

tion of the surplus capital profits for in-come," said Nicolas Bowater, head of pri-vate banking in London for Credit Suisse. Although most overseas employees return to their base countries before retirement, there are those who, because they own properties in several places, move around the globe on a regular basis and

significantly higher than current inflation,

we may counsel the client to use a propor-

have no strong ties to any single location. "This group will probably gain some advantage from holding their investments in one of the recognized tax bavens such as the Channel Islands, Bermuda or the Cayman Islands," Mr. Roberts said. "As well as having the full range of multicurrency investment facilities on tap, there is the obvious tax advantage associated with offshore banking."

Even for those globe-trotting expatriates who have rejected the idea of returning to their original domicile, a certain amount of flexibility should be written into the financial plan.

"ft is often the case that dyed-in-thewool expatriates return bome when their partner dies or illness strikes." Mr. Roberts said. "These eventualities must be catered for; otherwise, the consequences can be disastrous from a tax standpoint."

For those who can afford it, a private bank is the ideal mechanism for pre- and post-retirement planning. As well as offering a personally tailored service, private banks can deal with all of a client's planning needs under one roof. To get the most out of the services available, however, clients should start the job at least five years before retirement.

Finally, while the essence of private banking is personalized service, this can mean different things to different people.

"If investors want the bank to purchase

paintings and property on their behalf, for example, they may be better off seeking advice from one of the small Swiss banks which are known to specialize in these matters," said Philip Hooper, manager of business development for Hambros Bank in Jersey. "The international merchant banks tend to provide a more focused service, dealing principally with trust administration and investment manage-

needs and if the investment returns are Paris who specializes in financial topics.

# Task in Japan: Keeping It in the Family

By Steven Brull

OKYO — In theory, a country where millions of citizens own properties worth millions of dollars ought to be a paradise for private bankers.

In practice, most wealth owned by individuals in Japan is stored in highly illiquid assets, mostly property and stocks that have soared in value.

Moreover, the Ministry of Finance— arguably the most powerful institution in Japan—has set up elaborate restrictions that make it difficult to liquefy assets to transfer wealth to offspring.

The result is that most private banking in Japan is concerned with inheritance, but playing the game is so intricate and fraught with risk that few individuals are willing to engage in aggressive strategies.

"In Japan so many individuals are so very wealthy that as a private banker you can start salivating," said Deborah Wet-more, a Canadian who advises Japanese and foreigners on investing and tax planning. "But the tax laws are so restrictive and complicated that it's just mind-bog-

Still, for those willing to undertake long-term planning and make sacrifices. strategies exist that can enable wealthy individuals to pass on their riches to another generation.

At the same time, slowly improving property and stock prices, as well as a growing population of aging patriarchs, are likely to lead to an increase in the number of individuals prepared to execute strategies that bypass the taxman and preserve significant amounts of wealth.

"Very few Japanese have been willing to bother with all the planning." Ms. Wet-more said. "But because of changed attitudes, we'll see more people liquelying wealth if stock and property prices rise."

The difficulties facing wealthy Japanese are typified by the case of Hiroshi Kan-eko, a 50-year-old father of two whose parents died when he was young. Mr. Kaneko (not his real name) inherited rural and urban land valued at \$30 million. The large and profitable retail business he inberited is valued at \$20 million. He owns about 80 percent of the shares in the unlisted company. Along with his collection of Japanese artifacts, these holdings give Mr. Kaneko a net worth of about \$50

Having had a stressful life, Mr. Kaneko is worried about his health. To be sure, there would be no immediate problems for his wife. She is entitled to receive half his

The other half, however, is split be-

tween his children. The problem is that unlike the United States and many other countries. Japan levies inheritance taxes not on the estate but on the recipient of the inheritance; and the inheritance tax runs as high as 70 percent.

'So many individuals are so very wealthy that as a private banker vou can start salivating. But the tax laws are so restrictive and complicated that it's just mind-boggling.

In Mr. Kaneko's case, the children would receive about \$12 million — and face an inheritance-tax bill of about \$5 million. When their mother dies, they will have to pay an equal or higher amount.

The real problem lies in getting the cash to pay the taxes. In the late 1980s, when Japan's property and stock prices were booming, it was relatively easy and sensible to borrow the money. To generate the cash to pay off the loan, one could develop some urban property into high-rent apart-ments for well-beeled foreigners. The property thus remained in the family, even

it took many years to cover the tax bill. But with hanks now reluctant to lend. and property values and rents fur below their "bubble economy" peaks, this strategy no longer works. Often the only choice is to liquidate assets.

"The Japanese tax system is clearly designed to redistribute wealth," Ms. Wet-more said. "It's virtually impossible to legally keep wealth beyond three generaSull, there are strategies for the deter-mined. The major ones involve exploiting a big loophole resulting from the difference between Japanese laws, which tax the receiver of the inheritance, and those of most other countries, where the estate is

With long-term planning, for example, Mr. Kaneko could slowly transfer many of his assets abroad. Then, upon his death, he could pass these along to an of(spring who is a long-term foreign resident (though he

or she may remain a lapanese nationall. Mr. Kaneko's foreign assets thus would not be taxed by Japan. And his son's tax obligations would be covered by the estate, which is hased abroad.

"If you work it out right, it's perfect." Ms. Wetmore said.

Still, there is a natural reluctance among Japanese to use such strategies. An obvious difficulty is that its execution takes years of planning, during which the pairiarch must be able to liquidate and transfer his assets overseas. And it requires one member of the family to establish foreign residency for an undetermined period. This individual, moreover, will tend to receive the hon's share of the

Another problem is simply the thin legalistic tradition that make: Japanese uncomfortable with using the law actively to preserve wealth. That tendency is reinforced by the government's broad powerto interpret vaguely worded laws.

"People are terrified of the fact that a bureaucrat is going to check into things," Ms. Wetmore said, "The bureaucratic forces do not want Japan to be investing internationally in a free way or to be saving taxes."

STEVEN BRULL is Tokyo correspondent for the International Herald Tribuse

## **Deductions on the Far Horizon**

OKYO — For well-paid for-eigners in Japan, who face a marginal income tax rate as high as 65 percent on annual compensation above 20 million ven (about \$200,000), international real estate investments can offer big tax reduc-

Japanese tax laws allow investors to depreciate the value of buildings, but not roperty. The depreciated loss then is deducted from compensation income,

Because land is so expensive in Japan, the cost of a residential property in Tokyo is usually about two-thirds land, one-third the cost of the structure huilt on it. As a result, investments aimed at achieving depreciation losses are far more efficient with properties outside Japan, where land costs generally remain a small fraction of the purchase price. The depreciation schedule depends on

the type of structure, with more modern steel and concrete edifices offering the slowest depreciation and buildings of wood offering the fastest. With wood building, the precise schedule is open to negotiation, but it can be as short as

Thus, a \$100,000 investment could, in theory, slice as much as \$33,000 off one's gross taxable income.

Steven Bruli

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# Sweden's Barriers to Wealth

By Conrad de Aenile

▼ TOCKHOLM — It may be nice being rich anywhere, hut it's more difficult being rich in Sweden. Although the top income tax rate has fallen, it is still 50 percent, and the recently elected Social Democrats have proposed raising it to 55 percent.

Beyond that, interest income is taxed at 25 percent. And when an individual accumulates a modest degree of wealth in spite of those taxes, he faces a wealth tax of as much as I percent of the value of his assets every year.

Sweden's major exporting companies said recently they feared that marginal taxes of more than 50 percent would severely decrease their attractiveness to potential employees and executives and make it difficult to "retain necessary expertise" in Sweden.

Top officials of Volvo AB, LM Ericsson AB, ABB Asea Brown Boveri Ltd. and Stora Kopoarbergs Bergslags AB, which account for a third of the country's exports, said in September that they would consider a foreign alternative if government policies threatened business conditions.

As a result of all this, bankers say, Swedes have set up their financial affairs abroad to a greater extent than citizens of many other countries, despite government obstacles to

"There have been very tough restrictions on taking money out of the country," said Patrik Tillman, a banking analyst at the Stockholm brokerage concern Alfred Berg.
But somehow, Swedes still manage to do it.

As part of a deregulation of the banking system that began in 1985, the government relaxed currency controls. And if Swedes vote on Nov. 13 to join the European Union as of Jan. 1, it should soon become easier for individuals to conduct their financial affairs abroad, as most controls on the flow of capital and wealth would have to be scrapped in

the name of the single European market.

If EU membership is rejected in that referendum, the question for wealthy Swedes will become whether the Social Democrats can raise taxes again and reimpose some of the old barriers to keep wealth from escaping, or

whether they might fall from power themselves soon, victims of the same tough economic problems that undid Prime Minister Carl Bildt's conservative coalition.

In any case, Sweden's two largest banks now have established mechanisms to help wealthy clients who prefer to keep their money in Britain or Switzerland or Luxembourg, For a while, the flow was in the opposite direction. Despite facing the highest tax rates in Europe, some Swedes did bring their money home after the reduction in tax rates in the mid-1980s and the election io 1991 of Mr. Bildt.

"There have been notable cases of wealthy individuals returning to Sweden," said Bengt Bersk, a spokesman for Svenska Handelshanken, the country's largest hank. "They had been in the Benelux countries, Switzerland, or

But with Mr. Bildt having been voted out of office in September, that trend could come to a halt or even turn around.

It is difficult to measure movements of private wealth into and out of a country. But one clue is net savings. When a nation's citizens save more, it could he hecause they have more to squirrel away or because some money is coming back into the country from abroad.

Net savings fell sharply in Sweden through the early 1980s, then picked up briefly in the middle of the decade after tax rates were cut, according to figures compiled by the Organization for Economic Cooperation and Devel-

Net savings then resumed its slide until 1989, when it reached a negative 27.9 billion kronor (\$3.9 billion). Since then, though, it has picked up dramatically, rising to a posi-tive 24.4 billion kronor in 1991 and 61.1

But, Lars Isacsson, chief financial officer of Skandinaviska Enskilda Banken, said, even though wealthy Swedes were now being taxed less than hefore, "ft's still much more profitable to keep your money in Luxembourg if you don't want to pay tax on it. There's still a significant difference."

CONRAD DE AENLLE is an editor for Bloomberg Business News in London.

# California Is New Frontier for Private Bankers

By Philip Crawford

Shome of the American film, television and music industries. the State of California has been associated with wealth for decades.

Today, the continuing growth of these sectors - in addition to the Californiabased expansion of high-techoology industries such as computer software and biomedical research - has created a new generation of high-net-worth individuals, spawning a hurgeoning need for private hanking services that the state's commercial banks, independent investment advisers and hrokerage firms are scrambling

to meet. What sets California apart from the rest of the United States, perhaps from the rest of the world, say analysts, is both the degree of individual wealth being amassed and the speed at which it is being accumulated. "Silicon Valley is a truly re-

markable situation," said Perry Olson, a director of The Portola Group, an investment consulting firm in Menlo Park, referring to the region near San Francisco that is bome to numerous high-technology indus-tries. "You're talking about personal balance sheets that are going from zero to \$5 million or \$10 million within 10 years, and there are thousands and thousands of people for

whom that is true. "First it was the engineers and the technicians," contintied Mr. Olson, "Now, it's all of the professions that support them, such as lawyers and accountants. Factor in the aging of the wealth that was already

have a very dynamic market. Private banking is growing faster here than anywhere else in the States and probably in the world, outside of China

and Hong Kong." Mr. Olson said that The Portola Group currently manages about \$325 million in assets for about 160 clients or families, whereas five years ago the firm was managing about \$175 mil-lion. Portola's average client has about \$2 million in investable assets.

According to PSI Inc., a Florida-based research firm that evaluates private-hanking markets state by state, the number of affluent households in California (those with annual incomes of \$75,000 or net worths of \$300,000, excluding the value of a principal residence), rose by about 338,000 in the two-year span that end-ed Dec. 31, 1993. At that time, PSI estimated that about 304,000 California households had investable assets of over \$1 million and that 94,000 housebolds had over \$2 million to invest. Nearly 18,000 bouseholds were found to bave ner worths of over \$5 million.

While this year's research has yet to be completed, California's affluence is expected to continue its expansion. Some forecasts say that the state's private banking market will increase by 20 percent annually through the end of the

Traditionally, the heart of personal banking services for the affluent has been advice regarding asset allocation, or how much money to put into which investment markets. But in California, the nature of that

advice is changing due to the evolution of a new breed of private banking client - a globally oriented person who atready has a substantial degree of investment knowledge.

"Around 20 or 25 years ago, a lot more people wanted full. discretionary investment management," said Vern Kozlen, manager of First Interstate Bank of California's private client services division, which was launched 10 years ago. "More clients are now interested in participating in the investment management decisions. They'll come in with a set of objectives, risk parameters and guidelines, and look to us to find solutions. And since many of them do business

invest globally."
Mr. Kozlen said that the age of his typical client, who on average has between \$2 million and \$5 million to invest, has fallen considerably, due to the new business climate in which large sums can be made in relatively short periods of time. "The average client used to be in his late 50s or 60s," he said.

globally, they're not afraid to

"But now we're also working with people who are in their 40s and even in their 30s. More of them are also looking for shorter-term strategies with minimum risk to principal, since they may be needing the principal within a few years to start or to expand a business."

Where buge sums of money and tight client confidentiality

are concerned - two basic elements of the private banking industry - questions about illicit funds and money laundering are bound to come up. ladeed, the decision of whether to accept large cash deposits has long been a dilemma for hanks serving the high-end

Amanda Wallis, an executive vice president for San Francisco-based Bank of America's private-client hranch — which is referred to as The Private Bank -said the approach in California was identical to that in offshore domiciles such as the Channel Islands, where The Private Bank has an affiliate.

"The key is to know your customer," she said. "If some-one walked in with a suitcase full of cash, whether we knew the persoo would certainly influence how we would respond. Of course, if the amount were over \$10,000. we'd have to report it." Unlike offsbore domiciles, the U.S. government requires banks to report any cash transaction of \$10,000 or over.

Miss Wallis said that The Private Bank manages about \$19 billion in California for around 10,000 elients, and that its business is growing at a rate of 15 percent per year.

Contributing to California's private-hanking boom, others note, is the fundamental shift in the global hanking landscape toward consolidation a frend that has created huge in stitutions where the idea of highly personalized, generation-to-generation consults tion — the hallmanks of traditional private banking - seem as outdated as handwritten account leogers.

"Automated lenging 55% tems and the sort of banking where no one knows anyone works for the vast majority of the population," said Jean Blomberg, a senior vice president and manager of executive banking at Silicon Valley Bank in Palo Alto. "But the small percentage of people who want a personal banker who knows their family, knows their tax returns and their special needs has found themselves left our and seeking such services."

Miss Blomberg said a fau number of her cheats were venture capitalists, another profession that has come to & identified with California. "Say you've got a venture capic Bay you've got a venture capitalist who spends 20 days a month on an airplane flying around the world," she said, "He wants to be able to call in and say 'Hey, I just found a great investment — can you take \$25,000 from any line." take \$25,000 from my line of eredit and put it in my checking account?"

PHILIP CRAWFORD IS a Jum. nalist specializing in business

# Trouble Ahead for Hong Kong

Continued from Page 13

from being seen as competitors to contributors." For those private bankers and financial advisers who are expanding their businesses in rapidly growing Asia, personnel difficulties dog their

progress,
"The big problem is, not enough real professionals in the market," said Patricia Lawson Lim, head of institutional private banking for Banque Indosuez, "There are so many private bankers here who have never been through a bear

tunities for experienced private bankers and newcomers alike, but at the cost of increased jobhopping. Many customers leave when their banker goes, but not necessarily to their banker's

"The more aggressive banks appear to have the highest staff turnover," said the Swiss banker. "But staff turnover is the worst thing that can happen to you. A client hates a change in faces; He wants stability. When you can't provide it, you lose all credibility."

The growing market has ereated great oppor
KEVIN MURPHY writes from Hong Kong for the International Herald Tribune.

# **Luxembourg Keeps Growing**

Continued from Page 13

vestors and the hanks who decide to open offices there is the ability to pay income on investmeots gross - free of withholding tax.

Germany suffered hadly when it increased its own withholding tax on bank deposits last year. A great wave of money — estimated at more than 200 hillion Deutsche marks (\$134 hillion) hy Luxembourg bankers — flowed across the border into Luxembourg in a matter of months. Germany took up its turn for its six months presidency of the EU in July and made mutterings that the withholding tax issue would he high on its action list. But as yet, a pan-European withholding tax seems as re-

mote a possibility as ever.
"I don't see it happening while, for example, Britain continues to agree with Lux-emhourg on this point, "said Hans Rosteck, managing di-rector of Trinkaus & Burkhardt, a Luxemhourg-based

private hank that is part of Hongkong & Shanghai Bank-ing Corp. Mr. Rosteck argued to be sold across Europe. that the situation might. change, but only if the imposi-tion of withholding tax were to become the standard across OECD couotries - in other words, only if the Channel Islands, Gibraltar and Malta,

among other domiciles, decid-The Luxembourg private banking community is in general dismissive of the idea that it will lose its fiscal privileges. Talk of strong-arm tactics from Germany is seen as scaremongering, and private hankers like to accentuate the positive aspects of a financial environment that has generated such healthy-looking figures over the past ten years.

"Luxembourg has consistently shown the capacity to adapt itself and its legal environment to changing circum-stances, "said Olivier d'Auriol, head of the Banque Privée Ed-mond de Rothschild in Luxembourg. "Luxemhourg was, for example, the first to react to

That kind of flexibility gives banks based here a big advantage in terms of marketiog."

I A MY O ITAN SIN

Mr. d'Auriol said that there had been particularly impressive growth in the private hanking sector over the past. three years, and that there was. no way this would disup-

overnight.
Lloyds' Bank International
Private Banking, which has 19
branches worldwide, opened its Luxembourg office in the wake of the country's signature to the Pan-European fund directive, but was attracted by the Grand Duchy's other vir-

"We identified a strong hanking presence, a cosmopolitan business structure and advantageous fiscal policy, " said a spokesman for the bank.

Austin O'Connor, managige director of Bank of Bermud. Luxembourg operation, agreed that the advantages of the domicile were a "tunique withholding tax structure and

strong secrecy laws."
A third advantage for Luxemhourg, according to Mr. Rosteck, is its multi-cultural environment. Mr. Rosteck argued that not only were Luxembourg's banks drawn from many countries, but business was done in several languages (principally English, French. and German). Furthermore, methods of doing husiness vary according to hanking tra-dition, allowing bankers to cherry-pick the best ideas from other business cultures.

Olivier d'Auriol said tha Luxemhourg is obtaining much of its new internations private banking business fron South America.

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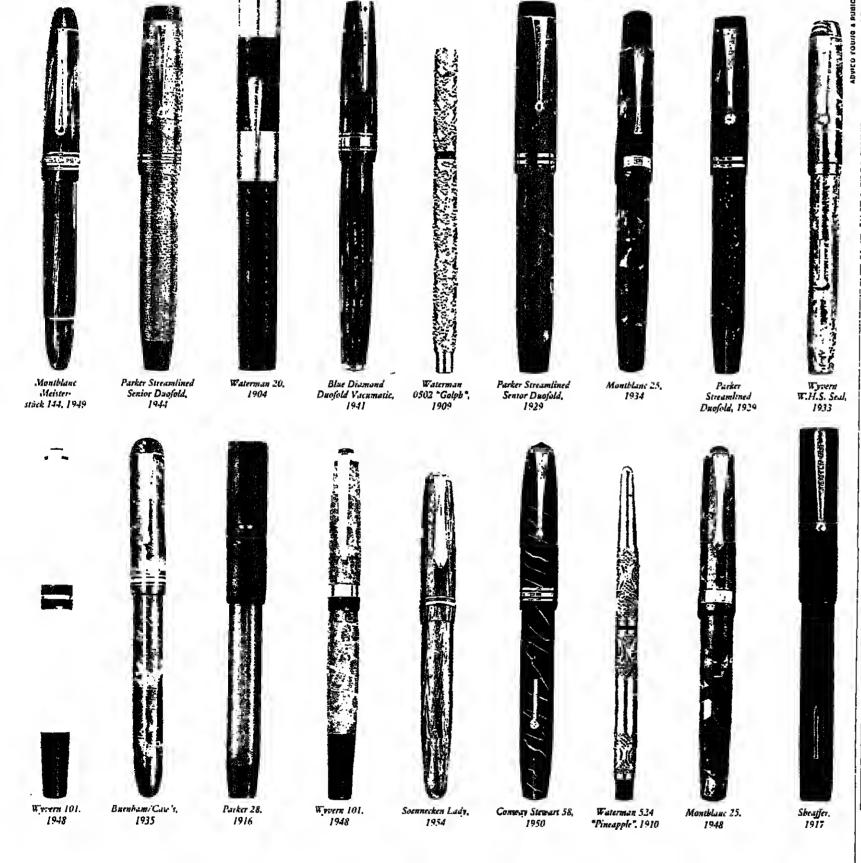
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# World Basketball Finals Set for Greece in 1998

BONN — Yugoslavia has lost out to Greece as the host country for the 1998 men's World Basketball Championships, the sport's international governing body, FIBA, an-

nounced Sunday. The organization's executive board, after a meeting in Mu-nich, also said it had ehosen Germany over Poland to host the 1998 women's world cham-

· Yugoslavia had been chosen to host the men's 1994 world championships. But when the Balkan wars erupted and international sanctions were slapped on Serbia and Montenegro, which make up Yugoslavia, BA moved this year's cham-

The United States' Dream Team II won the world title this

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The 15-member board did not mention the bloodshed in the Balkans as a reason for its decision. George Killian, the president of FIBA, said Greece

was chosen because it is "experienced in organizing international baskethall events. They are also one of the leading basketball forces in Europe."

The men's finals in August 1998 will be played in the new Olympic hall in Athens, which has a seating capacity of 20,000, and in the Peace and Friendship Arena in Piracus.

George Vassilakopoulos, who represents Greece on the FIBA board, said his country was "happy and proud to host the FIBA championship."

Italy, Japan and Mexico were early bidders for the championship but all withdrew.

Plans call for the women's world championship in July 1998 to be played in Berlin and in the southern German cities of Würzhurg and Karlsruhe. All three cities have arenas that can seat up to 10,000.

Germany was the site of the European Championship for Men in 1993, which it won.



Bernhard Langer's one-under-par 70 was enough to win the Volvo Masters on Sunday.

#### **SIDELINES**

## Noah Returning to Captain France

PARIS (AP) - Yanniek Noah, who captained the French team to its Davis Cup title against the United States in 1991, is returning to that post, the French Federation announced Sunday.

He replaces Georges Goven, who became the non-playing captain two years ago, when Noah quit following a quarterfinal loss to Switzerland. France will play in the United States in the first round of the 1995 Davis Cup competition.

Boris Becker beat Goran Ivanisevic, 4-6, 6-4, 6-3, 7-6 (7-4), in a serve-and-volley final of the Stockholm Open to gain next

month's ATP finals in Frankfurt. Becker, having beaten the world's top three players in as many days, said, "I can't remember playing as good tennis three days in a row."

• Venus Williams, the 14-year-old tennis prodigy, will make her professional debut Monday night in Oakland, California, against fellow American Shaun Stafford, ranked 59th in the world. The winner will face Arantxa Sanebez Vicario, winner of this year's French and U.S. Opens.

#### Japan Gains Third Rugby World Cup

KUALA LUMPUR (AP) — Japan booked its place in a third successive Rugby World Cup when it defeated South Korea, 26-11, to win the 14th Asian Rugby Championship on Saturday. Japan, which represented Asia at the first two World Cups, in 1987 and 1991, got two tries from winger Yoshihito Yoshida. In the tournament next May and June in South Africa, Japan will play in Pool C with New Zealand, the 1987 world champion; Wales, the 1994 Five Nations winner, and Ireland.

## Australian Yacht Sails Away With Opener

The Associated Press

SAN DIEGO — John Bertrand of Australia had little trouble winning the opening race of the second International America's Cup Class World Championship, and the second Championship, and the second and Age of Puesia turned has first windward leg. But one Australia, showing its superior boat tralia, showing its superior boat speed, led by 1 minute, 13 seconds at the first turning mark.

One Australia and America one Australia and America and Age of Puesia turned has remained 1-2 the remainder of Championship, and the second race had to be abandoned.

Bertrand turned back an early challenge by America3's his-toric women's team and sailed not and were disqualified. oneAustralia to a runaway victory in the opener. Nobody sailed Saturday, when winds did not rise above 3 to 4 knots. Officials said a makeup race will be held Thursday.

and Age of Russia turned hack for the mandatory restart, but Dennis Conner's Stars &

America3, sailing its name-sake yacht that defended the come halfway around the world America's Cup in 1992 with a and win this first race," Bermale crew, overcame its poor trand said. "We learned a lot. start and crossed in front of We're delighted with today's reoneAustralia halfway up the sults."

remained 1-2 the remainder of the six-leg, 18.55-mile race. The Australians' higgest lead was 4:27 at the lifth mark, and the final margin was 3:20.

# Tree Stymies Ballesteros, **Langer Wins Volvo Masters**

SOTOGRANDE, Spain -Bernhard Langer struggled to a one-under-par 70 Sunday, hut from his nine-birdie 62 in the stroke back after 54 holes. won the rich Volvo Masters by second round that required And Greg Norman, bolste has a hole-in-one, insisted one shot when Seve Ballesteros only 22 putts and broke the bogeyed the last hole.

Langer collected the first prize of \$204,000 with a 72-hole iotal of eight-under-par 276. And with the victory he leapedfrogged Ballesteros into second place on the final European money list, which was worth a bonus of \$135,500.

Ballesteros, after a 73, fin- money title before the tournaished in a second-place tie with Vijay Singh of Fiji at 277. Singh's 66 was the low round of

Defending ehampion Colin from the honus pool. The Montgomerie earded a 72 and \$1,222,500 in prize money Miguel Angel Jiménez a 71 to made the of \$2,038,000 a Euro-Miguel Angel Jimenez a 71 to tie for fourth place at 278.

Langer, who began the round two shots behind overnight leader Ballesteros, pulled even with the Spaniard by dropping a 2.5-meter putt for a hirdie at the par-5 17th hole.

Langer got up and down His hard-fought par round of for the 10th consecutive time. The final score was 22.5 points the 18th, then Ballesteros, play
His hard-fought par round of for the 10th consecutive time. The final score was 22.5 points the 18th, then Ballesteros, play
30-man field at 8-under 205. ing last and just behind Langer, hit a drive that came to rest almost against the base of a double-trunked tree that blocked his path to the 18th

After pleading for a free drop because, he claimed, his ball was positioned in a sandy area near an animal burrowing hole, Ballesteros was forced to chip sideways to the fairway. His third shot ran across the green and into a hunker; his sand shot landed about a meter left of the

"I saw that Seve hadn't hirdied 17 so I knew I had a chance to win if I could par the 18th," Langer said.

"And the 18th was difficult to par because the pin position was on the far right. I was lucky to get my approach in a bunker because 1 elipped a couple of tree leaves.

"Even when Seve was lying three in the bunker, I was mentally prepared for a playoff." Langer said, "because I've seen

the world."

course record by three sbots. He got only three birdies Sunday, but the one on the 10th gave him a one-shot lead before

Ballesteros followed with hirdies at 10 and 11 to go hack in front until the finish. Montgomerie had elinehed his second straight European

ment started and collected a \$204,000 bonus. The first 15 finishers on the final money list split \$815,000

pean record. • Bill Glasson had retained the lead but lost the momentum

going into Sunday's final round of the season-ending, \$3 million Tour Championship in San Francisco.

Seve hole bunker shots all over the world."

But chief among his challengers were veterans Fuzzy Zoeller and Mark McCumher, one

And Greg Norman, bolstered by a hole-in-one, insisted his 210 total was not too far back to

"I knew I had to shoot in the mid-60's to get back in it. I did that," said Norman, who shot

U.S. Open champion Ernie Els of South Africa, Steve Lowery and career non-winner Brad Bryant finished three rounds at 207. Bryant moved up with a 67, while Els and Lowery each

lost a shot to par with 72s. The group at 208 included Corey Pavin, John Huston and Jeff Maggert, Huston elosed up with a 66, while Maggert and Pavin each shot 70.

· Michelle MeGann and Donna Andrews both shot 66 Sunday as the U.S. team won 11 of 18 individual matches in Ami, Japan, and took the Nichirei International LPGA title

Div Y1d 100s High Low Cise Chipe

# European Tour Growing in '95

SOTOGRANDE. Spain — Prize money on the European golf tour will rise to almost \$44 million in 1995, according to the tour's executive director, Ken Schofield.

In comparison, the figure for 37 Tour events and the five sanctioned special tournament in 1994, including the Dunhill Cup and World Match Play events, totaled \$40 million, Schofield said Much of the increase will come from a new match play event

that will involve players from all five world tours and will offer total prize money of \$3.7 million through regional qualifying events and a four-man final.

The winner of the final, in Arizona at the end of the year, will take home \$1 million.

The Czech Open, which made a chilly debut this year, will increase its prize money from \$800,000 to \$1.2 million, Schofield said, and will be moved from October to Aug. 17-20, 1995.

The Belgian Open, played for the last three years at the Royal Zoute Golf Cluh, will not be held next year because the sponsors have transferred their backing to the South African PGA. The South African tournament will become a European Tour event in 1995, with half the field comprising Europeans, under an

arrangement announced last week.

Schofield said negotiations were continuing on filling two hlank weeks, in late March and early April, on the Tour schedule,

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| 1487 | 444 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154 | 154

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| 12 | 1.0 | 4877 | 1279 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 1174 | 117

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# SPORTS

# Surprise: NHL Cuts Off Insurance

TORONTO - If the National Hockey League's owners are seeking empathy from the players ranks they needn't bother seeking it from Tom Kurvers.

Not after the league didn't tell him that his group health insurance had been canceled which he found out about after he and his wife, Suzy, seven and a half months pregnant with their first child, were involved in an auto accident.

Neither was seriously hurt, hut Suzy Kurvers had to remain in the hospital overnight and Kurvers, a defenseman for the Anaheim Mighty Ducks, who thought hospital charges would be covered by the NHL's group health insurance plan, found that his coverage had been cut off Oct. 15. The action was taken without his knowledge or that of the NHL Players' Association.

Medical insurance was one of 19 items that NHL Commissioner Gary Bettman announced in August would be rolled hack, with players earning more than \$350,000 forced to pick up their own premiums

to maintain coverage.
The NHL then decided to pay the premiums through Dec. 15 — but changed its mind when collective bargaining talks broke down. Neither players nor the union were notified of when that coverage would end.

## Talks Scheduled This Week

Compiled by Our Staff From Dispatches

NEW YORK - National Hockey League officials said that talks will be resumed this week, but the league's director of operations, Brian Burke, said the site, date and time of the talks might not be disclosed until after they were held. In Moscow, Russia's Foreign Ministry ordered new passports issued to Alexander Mogilny and Sergei Fedorov, who

left the Soviet Union illegally to play in the NHL. The move effectively pardons the two aod clears the way for them to take part in a charity tournament in Russia next

month with other Russians playing for NHL teams.

Authorities also said they had dropped criminal charges filed against Mogilny when he left the Soviet Union in 1989 while serving in the army and playing on an army team.

Mogilny emigrated to the United States to join the Buffalo

Sahres, and Fedorov left in 1990 to join the Detroit Red Wings. Both are now among the highest-paid players in the (AP, Reuters)

The insurance carrier, BWD of which was obtained by The Group Ltd. of Loog Island, New York, sent out notification

The insurance carrier, BWD of which was obtained by The Canadian Press.

The letter said the player had letters — hy regular mail — to each player three days after the Oct. 15 cancellation date.

"This ootice is to advise you that even though you are no longer eligible to be covered . . . as of 12:01 A.M. Oct. 15, 1994 ... you have the option, at your expense, to continue the benefits under the Plan that were in effect on that date, for up to 18 months," said the letter, a copy

Kurvers said the hospital administrator told him that since his COBRA fees had not been paid, he had no coverage. "You'd think the NHL

would have made the effort to let us know," said Kurvers, a former player representative for the New York Islanders.

He was on his way to the airport to pick up a friend when the accident occurred.

"We weren't drilled hard enough to send us face first into the dashhoards, but the air bags inflated and that prevented a lot of damage," Kurvers said. "At this point my wife is doing fine and the haby is fine."

He spent the night in the hospital at his wife's side and went home Friday morning to find the letter from the insurance company in that day's mail.

"I wish there would have been a better way to find out." Kurvers said. "That is oot the

60 days from the date of the The NHL vice presideor, Jeff Pash, contended that "no one's COBRA Administrator know coverage has been taken away from them. Everyooe has exaci-Essentially, COBRA is a U.S. ly the same coverage today as they did 10 days ago."
However, he didn't dispute insurance law that states that

that a player had to pick up the premium for the coverage to remain in force — and that a player had to know his previous coverage had been canceled.



BEIJING VICTORY - Wang Junxia, who is the 3,000- and 10,000-meter world champion, winning the women's title Sunday in the Beijing International Marathon. Hu agents, according to o Gangjun of China retained the men's title, with Abebe Mekonnen of Ethiopia second.

# New League In Baseball Possible?

NEW YORK - The American and National leagues may. be getting some competition, for the first time in 80 years, ...

Organizers of the new United League have called a news conference for Tuesday to an nounce plans for the first new circuit since the Federal League in 1914-15.

Agent Dick Mess, the former general counsel of the Major League Baseball Players Association, has been organizing the league as an alternative to the existing major leagues, which have been shut down by a players' strike since Aug. 12.

A Continental League was planned in the late 1950s after the Brooklyn Dodgers and New York Giants moved to California and left an NL void in New York, but those plans were dropped after the NL expanded and created the New York Mets and the Houston Astros.

Moss, who left the union in 1977 to become an agent, has declined to give any details about the league and was amhiguous during a presentation last week to other top baseball agents, according to one partic-

#### SCOREBOARD

namentalista (h. 1901). Namentalista (h. 1901). Namentalista (h. 1904). Top 25 College Results

How the top 25 teams in the Associated Press' college football poll fored links week; 1. Press' college tootball pall fored Inis weet; 1.
Pean State [170] beat No. 21 Onlo State A3-14.
Next: of Indiana, Saturday; 2. Colorado [7-1]
last lo No. 3 Nebraska 24-7, Next; vs. Oktabomo State, Saturday; 3. Nebraska (9-0) beat
No. 2 Colorado 24-7, Next; vs. Kansas, Saturday; 4. Apburn [8-0] beat Arkonsas 31-14.
Next: vs. Estat Carelline, Saturday, 4. Estate

Best Carelline, 5. Est

day; 4. Adourn 18-01 Dear Arkonsos 31-14. Next: vs. Eost Corollon, Safurday; 5. Florida 16-1) beat Georgia 52-14. Next: vs. Southern Mississippi, Sahurday.

6. Milami (6-1) beat No. 13 Viruinita Tech. 24-3. Next; at No. 14 Syracuse, Safurday; 7. Texas A&M (7-0-1) fled Southern Methodist 21-21. Next; at No. 19 Texas. Safurday; 8. Alabama 18-01 letting beat No. 19 Texas. Safurday; 8. Alabama 18-01 letting beat No. 19 Texas. 18-01 did not play, Next; at Louislana State; 9, Florida State (6-1) beat No. 16 Duke 59-20, Next; at Georgia Tean, Soturday; 18, Michiesa 15-3) lost to Wisconsin 31-19, Next; at

1), Arizona (6-2) tost to Oreson 10-9, Next: vs. Colliornia, Saturday: 12, Utah 18-0) beat Texas-El Paso 52-7, Next: at New Mexico, Saturday: 11, Virginia Tech (7-2) lost le No. 6 Mlami 24-3. Next: vz. Rutgers, Saturday, Nav. 12; 14. Syracuse (6-1) did not blay. Next: vz. No. 7 Mlomi; 15. Washinston (6-2) best Oreson State 24-10. Next: ot Stantard, Saturday, 14. Duke (7-1) last to No. 9 Ficrida State 59-20. Next: vz. No. 18 Virginia. Saturday: 17. Colorado State (7-1) did not play. Next: vz. Wyoming; 18. Virginia (6-1) die not play. Next: at No. 16 Duke: 19. Texas (5-3) last la Texas Tech. 33-9. Next: vz. No. 7 Texas (5-3) last la Texas Total State 36-10. Next: vz. No. Texas Louisiana, Saturday. 21. Onlo State (6-3) last la Next: vz. No. Theast Louisiana, Saturday. 21. Onlo State (6-3) last la No. Pepo State 6-3. Miami 24-3, Next: vs. Ruteers, Saturday, No. 21. Ohio State (4-3) lost to No. 1 Penn State 63fon State (6-2) beat California 26-23. Next: State 15-2) beat Oklohoma 37-20. Next: vz. lowa State, Saturday; 24. North Carolina (6-2) beat North Carolina State 31-17. Next: vs. Clemson, Saturday; 25. Southern Col (5-2) did not play, Next; at No. 22 Washington State. Other Major College Scores

EAST
Boaton College 30, Army 3
Boston U. 28, Mossochusetts 24
Brown 16, Cornell 3
Buffate 24. Motino 21
Conlistus 36. St. Peter's 15
Columbia 17, Princation 10
Delloware 42, Northeastorn 20
Georgetawn, D.C. 35, Morist 12
Harvard 35, Dorthmosth 12 Holy Cross 31, Foretam 21

Lafayette 56. Buckneil 14 Lehiah 25. Calgate 22 Mammouth, N.J. 32. Sacred Neart 13 New Hamsshire 13. Rhode Island 7 Penn 14. Yale 6 Pittsburgh 45. Temple 19

Penn 14, Yate 8
Pittsburgh 45, Temple 19
Robert Morrie 14, 51, Francis, Pa. 14
Sl. John's, NY 24, Stena 8
Wagner 29, Cent, Connecticut Sl., 21
West Viralnia 52, Louisiana Tech 16
William & Mary 53, Villanava 28 SOUTN
Ala-Birmingham 36, Morehead SI, 15
Alabama St, 26, Alebama A&M 0
Alcarn St, 45, Somford 45
Appelachion St, 30, Tn.-Chatteneoga 16
Bethune-Cookman 28, N. Carolina A&T
Cart, Florida 49, Liberty 24
Clemen 24, Wise Forest 0

Clemson 24, Wake Forest 0
-E. Kentucky 34, Tenn.-Martin 14 -E. Kentucky 34, Tenn.-Martin 14
East Carolina 35, Cincinnal 21
Furman 23, E. Tennessee 51, 21
Hamaden-Sydney 12, Davidson 7
James Madison 29, Richmand 16
Louisvite 10, Memphis 6
Mars Hill 45, Charleston Southern 28
Marshall 42, Citadel 30
Marshall 42, Citadel 30
Marshall 48, Tulene 10 Maryland 38, Tutane 10
McNeese St. 12, Stephen P,Austin P
Middle Tena, 45, Jacksanville St. 37
Miss. Volley St. 21, Prointe View 10
Mississippl 34, LSU 21
Mississippl St. 47, Kentucky 7
Mcrebottes 38, Margard 11, 29 Missispini S. 47, Kentucky 7
Morehouse 38, Howard U. 22
Morean St. 24, Florido A&M 20
Nicholts St. 20, Southern U. 14
S. Carolina St. 42, Delaware St. 38
Southern Miss. 47, Tulsa 27
Tennessee 31, South Carolina 22
Tennessee Tech 38, Murroy St. 21
Troy St. 38, W. Kentucky 16
Vanderbill 12, M. Illieda 14

NW Louisiana 41, SW Texas S1, 17 North Texas 21, Sam Housian St, 16 Texas Christian 27, Rice 25

FAR WEST
Air Force 34, Wyomins 17
Col Poly-SLO 34, 85, Mory's, Col. 20
E. Washington 34, Montone SL 31, 3 O'f
Montone 45, Iociae 21
N. Artzand 24, Weber Sl. 20
New Mexico 49, Frosno 5L 32
Pacific 26, Utah 5t, 6
Portiond 51, 32, Idaho Sl. 21
Socromento Sl. 27, S. Utah 16
Socromento St. 38, Hawail 23
UCLA 31, Stanford 30 UNLV 23, San Jose SI, 10

MIDWEST Bowling Green 27, Miami, Ohio 16

Butter 49, Evansville 14
Cent. Michigan 22. Ohia U, 10
Davion 30, Valoratiso 13
E. Illinois 30, Indiano 51, 21
E. Michigan 41, Bati 51, 20
Illinois 23, Naritwestern 7
Illinois 17, 38, Illinois 17
Kansas 24, Oklohoma SI, 14
Michigan SI, 27, Indiano 21
Missperi 34, Iava 51, 70 Michigon St. 27, Indiana 21
Missouri 34, Java 51, 20
N. Java 34, W. Jilinals 22
Nebrasta-Keorner 17, Drake 14
Notre Darne 58, Navy 21
Purdue 21, Java 21
SE Missouri 31, Austin Peay 10
SW Missouri St. 22 Cent, St., Ohio 14
Toleda 48, Kenti 14
Yunnastana St. 41, Akron 7

notification to let the "Plan

whether he had decided to pay

when employees' coverage is ter-

minated, they can have access to

the plan for 18 months provided

they pay the premium, plus an

administrative fee, retroactive to

for his own insurance.

the termination date.

**CFL Standings** 

Youngstown Sl. 41. Akron 7

x-clinched playoff berth, Friday's Game
Shrayeport 29, Taranto 27
Saturday's Games
Saskatchewan 46, Ottowa 29
Battimore 57, Winnipes 10

British Columbia 45, Los Vegos 7

Priday's Games
Boston 129, New Jersey 117
Chicago 112, Sacramente 101
Washinotan 103. New York 102
San Antonie 12t, Houston 112
Minnesota 107, Philadelphila 104
Denver 107, Detroil 07
Indiana 98, Portland 91
Phoenix 122, Atlanto 105
Seottle 131, L.A. Cilippers 105
Saturday's Games

Saturday's Games Houston 111, L.A. Cilppers 103 Chicago 106, Washington % New Jersey 101, Alianto 89

INTERNATIONAL FRIENDLY

INDIA TRIANGULAR SERIES India vs. West Indies Sunday, In Kanpur, Indie Indies: 257-6 (50 avers) India: 211-5 150 avers1 Resuff: West Indies won by 46 runs PAKISTAN TRIANGULAR SERIES

Pakiston vs. Australi Sunday, In Lahore Pokision: 205 (all auti Australia: 269 (50 overs) Result: Australia won by 64 runs.

THIRD TEST Zimbobwe vs. Sri Lanka, faurth day Sunday, in Harare Sri Lanka lirst innings: 402 Zimbobwe 1st Innings: (overnight 276-4): 375 Srt Lanka second Innings: 20-1 (Bad Ilohi stapped play)

Japan Series

GAME 6 Kudoh, Shlozaki (di, tshii (71 and lieh: Ma-kihoro and Muraid, W—Makihara, 2-0, L—Ku-doh, 0-2, HR—Yamiuri, Catta 12).

geny Kafelnikov (11). Russia. def. Sergi Bru guera (4), Spain, 6-7 (4-7), 6-4, 6-2.

STOCKHOLM OPEN Singles, Quarterfinals Goran Ivanisevic (2), Craatia, det. Andre Agassi 191, Las Vegas, 6-1, 3-6, 7-6 (10-8); Yev-

Borle Becker (6), Germany, def. Pete Sam-pros 11), Tampa, Fla., 6-4, 6-4; Ivanisevic def. Kateinikov 7-5, 6-4.

Final
Becker def. (ven/sev)C.4-6-6-4-5-1-6 (1-4). NOKIA GRANO PRIX in Essea, Germany Singles, Semifinals Iva Majoli, Creatia, etc., Natalia Medve-deva, Ukreine, 1-6,6-2,7-6 17-51; Jana Naveina

(2), Czech Republic, def Karına Ha vakla, 6-1, 7-51.

Final Navolna def. McJol. 6-2 6-4 NELLMAN'S CUP
In Samilago, Chile
Simples, OuarterSinois
Alberta Berasaregui 11), Soan, del, Javier
Franc, Argentino, 6-4, 1-5; Siave Dosedel (3),



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Czech Republic, det, Jordi Arrese, Spain, 7-6 17-11, 6-1; Francisco Clavet, Spain, del. Fernando Meligeni, Brazil, 6-4, 6-4; Alex Carretta 121, Spain, det, Franco Davin 171, Arpentina, 7-5, 6-4, Singles, Semilinais

Berasoteguidef. Dosedel.6-4.3-6.6-1; Clavet det. Corretja 2-4. 7-5. 6-4.

Finat Berasategul det. Clovet, 6-3, 6-4, 

GERMAN FIRST DIVISION Dynamo Oresden & Borussia Darimu Boyern Munich 2 VIB Stuttort 2 Moenchenglodoch 2 1860 Munich 0 SC Freiburg 4 FC Cologne 2 SC Freiburg 4. FC Cologne ?
Werder Bremen 2. Einfrocht Franklurt 0
Boyer Leverkusen 2. Schalke 2
Karlsruhe SC 2. Boyer Verdingen 1
VIL Bochum 8. FC Kolserslaufern 2
Standings: Borussia Dortmund 10 points.
Werder Bremen 17, Moenchengladbach 14. SC
Freiburg 14, FC Kolserslaufern 14, Boyer Leverkusen 13. Boyern Manich 12. VIB Stallpart

verkusen I 3. Boyern Munich 12, VIB Stulipart 13, Kartsruhe SC 13, Homburg SV 12, Scheike 14, Einirocht Frankfurt 18, Dyname Dresden 8. FC Colosio 8, Bayer Uerdingen 7, 1840 Munich 5, VIL, Bochum 5, MSV Duisburg 2, SPANISH FIRST DIVISION Real Sociedad 1, Barcelana 1

real sociedad i, Borcelona I Tenerille I, Deporthu de La Caruna I Zaragara J, Real Modrid 2 Racing de Santandor D, Athletic de Billo Valencia I, Cetta de Visa 0 FRENCH FIRST DIVISION

FRENCH PIRST LIVISING
Paris St. Germoin 3, Montpellier
Lilie 1, Mortigues 0
Coen 5, Rennes 1
Auxerre 3, Nice 0
Nantes 3, Strosbours 0
Manaco 3, Sochaux 1
Metz 1, Saint-Eitenne 0
Connes 2, Le Moyre 2 Connes 2, Le Havre 2

Bostie 1, Lens 3 Bostie 1, Lens 3
Standings: Nonles 31 points, Paris St. Germoin 27, Lyon 27, Lens 24. Auxerte 25, Cannes
24, Shrosbourg 24, Bordeaux 23, Martigues 22,
Saini-Elienne 20, Rennes 20, Monace 19, Metz
17. Bostia 14, Little 14, Sachoux 15, Le Havre 14,
Coen 13, Nice 13, Montpetiter 10.

17 ALLAM FIRST OIVISION

Seri 4. Genea 1 Brescia 2. Florentino 4 Cagliari 1, Terino 0 Internazionale 1, Reggiana 0 Juventus 1, AC Milan 0 Lazle at Rome 1, Cremonese 0 Padovo 0, Faggio 0

WHAT A WASTE

TO BE GOING

A MORNING

LIKE THIS

CALVIN AND HOBBES

ANOTHER GORGEOUS.

Sampdoria 12, inter 12, Capitari 12, Allian 11, Tarino 18, Napolt 9, Genoa 8, Cremonese é. Padova 5, Brescio 2, Reggiano 1. DUTCH FIRST OIVISION

idhaven S. FC Gra rd Rotterdam S. F Siondines: Alex 15 celets, Rode JC 14. Feyencord 13, FC Twente 12, PSV 12, FC Utrechi 18, MVV7 Id, Willem 11 16, NAC 8.

Vitesses, Sporta B. Heerenveen B. FC Groning-en 7, FC Volendom 7, NEC & CA Edgles & RKC S. Dordrechi 90 S ENGLISN PREMIER LEAGUE Wimbledon I, Norwich 0 Coventry I. Manchester City 0 Coventy I. Ansenot I
Everton I, Arsenot I
Inswich I. Liverpool 3
Leiester Q. Crystof Palace 1
Manchesier United 2, Newcosite 0
Northsham Farest 0, Blockburn 2
Queens Park Ranners 2, Aston Villa 0
Facilitati biomanagement 1, Chables 1

Ouens Park Rangers 2, Aston Villo 0
Southampton 1, Choisea 1
Southampton 1, Leeds 3
Tettenham 3, West Hem 1
Standinest, Newcastle 29 points, Nottingpam Forest 27, Manchaster United 25, Blackburn 24, Liverpool 23, Leeds 21, Cheisea 19,
Noryich 19, Monchester City 18, Argenol 18,
Tottenham 17, Southampton 15, Coventry 15,
West Ham 14, Sheftleid Wednesday 13, Crystol
Palace 13, Wimbledon 12, Queens 3, Park, Rangers 10, Aston Villa 10, Leicester 9, Ipswich 7,
Everton 4.

The state of the s BASEMALL

American League CLEVELAND—Exercised their 1995 option KANSAS CITY—Announced they will not ixercise their 1995 aption on Gary Goetti, hird baseman.

NEW YORK—Agreed to terms with Paul O'Nelli, outliekler, on 4-year contract, TEXAS—Named Rudy Jaramillo batting coach and Jerry Narron third base coach. Promated Owar Minaya to director of professional and international scouting. Announced they of and international scouling. Announced they will not exercise their 1995 entions on Tom Henke, pitcher, and Manuel Lee, shortston. Named Bucky Dent dugant cooch and infletd instructor and Ed Napoleon first base cooch. National League

Juventus I, AC Altion 0
Lazle of Rome I, Cremonese 0
Podovo C, Foggla 0
Sampdoria C, Napoli 0
Sompdoria C, Napoli 0
Stondings: Lazle IT, Juventus IT, Porma 14.
Roma 15, Florentina 15, Foggla 13, Barl 13,

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THIS MODNING ?

IT TOOK YOU

that Brett Fischer, assistant trainer, will not be offered a contract for 1995. CINCINNAT!—Agreed to Lerms with Jeff Brantley, plicher, on 2-year confroct, LOS ANGELES—Apreed to terms with

MONTREAL—Agreed to forms with Tem-my Harner, batting coach, on I-veer contract, NEW YORK—Named Fred Hints trainer, ST, LOUIS—Signed Cary Buckets, whicher,

ST, LOUIS—Signed Cary Buckets, Michier, le I-vear minor leggue confract.

BASKETBALL

Notional Besketball Association

NBA—Fined Vernon Marwell, Houston
Rockets buard, \$3,500 for throwing a forearm
of Chris Millis, Cleveland Cavallers forward, during an exhibition game on Def. 24,
DALLAS—Walved Dalman Sweet and Greg
Virtual Courts.

ITALLAS—Waived Dolman Sweet and Greg Sutton, suards.

OENVER—Waived Abdul Fax and ReYoder, suards. Staned Brian Williams, forward, 
GOLDEN STATE—Staned Cifford Razier, 
forward, to 4-year contract.

PORTLAND—Staned Nogele Knight, 
guard, to 1-year contract.

SEATTLE—Waived Note Hisps, forward, 
UTAH—Staned Antoine Corr, forward, 
FOOTBALL, 
National Footbalt Leasen 
CHICAGO—Staned Dorwin Ireland, (Ingbocker, fram practice sound, Wolved Keshan 
Johnson, cornerbock.

Johnson, corperbock,

"CREEN BAY—Announced retirement of
Ron Levels, wide receiver. Signed Keith Cress-

ord. wide receiver. INDIANAPOLIS—Wolved Al Nego, defen ive lineman. LOS ANGELES—Waived Jarrod Bynch.

PHILADELPHIA—Extended contract of

PITTSBURGH—Signed Anthony Durgle running back, to practice squad, COLLEGE N.C. CHARLOTTE-Announced that Andre

Davis, lunior quard, has with drawn from school, 570NY AROOK—Announced if will be-come a member of New England Collegiate Conference, effective at start of the 1995-76 academic year.
TENNESSEE—Declared George Kidd,
Inchacker, incligible for violating an NCAA
rule against selling compilmentary tickets.

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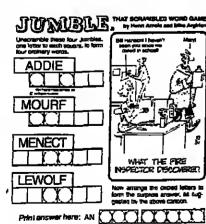
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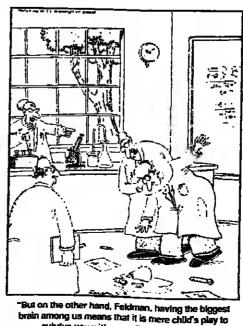
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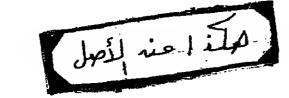


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PO YOU KNOW





# Buseba Nebraska Dashes 1. Unne Colorado's Hopes Walter The Advanced leads

By Jere Longman
New York Times Service

In Mil LINCOLN, Nebraska — What Nebraska did to Colorado was not particularly attractive, or even imaginative, but it was devastating to the Buffaloes' nathe tional title hopes, not to mention the rdera Heisman Trophy candidacies of the quarterback Kordell Stewart and the

running back Rashaan Salaam.

Nebraska (9-0) beat Colorado (7-1) Nebraska (9-0) beat Coloraday, rum-the old-fashioned way Saturday, rum-bling to a 24-7 victory behind a dominant line, a punishing fullback and tight nant me, a punishing twitter between ends who found enough time between blocks to catch nine passes and score a touchdown.

The Comhuskers overwhelmed Colo-The Comhuskers overwheamen and ado's backpedaling defense with an ofnsive line that averages 6 feet, 4 inches
in height and 295 pounds in weight and
holes wide enough for a homem height and 295 pounds in weight and opens holes wide enough for a homeoming float to be driven through. The Buffaloes' arm-tackling was so half-hearted that, at times, it might have been mistaken for square dancing.

Nebraska's defensive line was equally voracious. The Cornhuskers had jumped

voracious. The Columbia voracious ahead, 24-0, before Colorado crossed

ahead, 24-0, before Colorado crossina ahead, 24-0, before Colorado cro had failed on all 15 of its conversion had lance on third and fourth downs.

Inviting Colorado to pass, Nehraska stacked its defensive front with eight and nine players, taking away the option pitch to Salaam, the country's leading rusher, and forcing Stewart to keep the ball. When he went to pass, the hlitzes came from the middle and the wings.

"It seemed like he was getting scared back there," said Christian Peter, defensive tackle for Nebraska. 

Through persistence, Salaam, still rushed for 134 yards and a six-yard touchdown. But Stewart managed only 24 yards on 14 carries and completed only 12 of 28 passes while being sacked three times. He has failed to defeat Nebraska in three seasons as Colorado's starting quarterback.

For a day, or until another habitual defeat in the Orange Bowl, Nebraska showed a legion of doubters that it could win a big game — after having lost its last 12 against opponents ranked in the top five.

The Cornhuskers have noticeable flaws - the forward pass is still more a concept than a reality unless used in surprise — but they are atop the Big Fight and will now make a claim to the Orange Bowl and a shot at an clusive national championship.

"A lot of people put us down, didn't think we could do it," Peter said. "I think there are a few great teams out there. I definitely think we rank up

Bill McCartney, Colorado's coach, said, "Nebraska is the best team we've played to date, and I don't see any reason they shouldn't be No. 1."

If it doesn't have the best team in the country, Nebraska surely must have the most ravenous offensive line, which includes the Outland Trophy candidate Zach Wiegert at right tackle.

The Cornhuskers used two tight ends while Colorado put up feehle resistance with only three defensive linemen. Fullback Cory Schlesinger ran 14 yards untouched for Nebraska's first touchdown, then lumbered for 29 yards to kickstart the next drive, which gave the Corn-buskers a 10-0 lead on a 24-yard field goal by Tom Sicler nine minutes into the



Penn State tailback Ki-Jana Carter, racing for a 37-yard touchdown, scored four times and rushed for 137 yards against Ohio State.

PERSONALS

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MOVING

# Montana's Turnovers Cost Chiefs in Buffalo

Bruce Smith still knows how to give Joe Montana headaches. And the Buffalo Bills still know

how to win big games. Smith forced an interception and recovered one of Montana's two fumbles Sunday, while Jim Kelly threw four toucbdown passes to lead the Bills past the Kansas City Chiefs, 44-10, in Orchard Park, New York.

It was a replay of last year's AFC Championship game, when Smith helped knock out Montana with a concussion early in the second half and Buffalo won, 30-13, to earn its fourth consecutive Super Bowl berth. This time Montana wasn't in-

jured, just ineffective. He completed 12 of 21 passes for 124 yards and was sacked three times before being relieved in the third quarter by Steve Bono. Montana had three turnovers that led to 17 Buffalo points — including a fumble and an interception in the last two minutes of the first half to turn a

21-7 game into a 31-7 rout. The Bills (5-3) came out of their bye week intent on making amends for an embarrassing loss to Indianapolis and proving they are still the team to beat in the AFC. Kansas City (5-3) hoped a healthy Montana would be the difference against the team that has knocked them out of the playoffs two of the past three years.

Instead, the Chiefs suffered their worst loss in years.

laars also had two touchdowns of 22 passes for 184 yards and the Bills forced five turnovers

NFL FOOTBALL

while giving away none for the first time all year. Smith had seven hurries, six tackles and one sack in addition to the fumble recovery and forced fumble.

Eagles 31, Redskins 29: Philadelphia forced Washington's Gus Frerotte into three turnovers, converting two into scores, and Randall Cunning-ham moved Philadelphia 63 yards to Eddie Murray's 30-yard field goal with 19 seconds left, giving the Eagles a comehack victory over the Redskins.

Cunningham completed 9 of 17 passes for a mere 60 yards in the first half, which ended with Washington ahead, 17-7. The around after that, directing three long scoring drives to lead Philadelphia (6-2) to its fifth straight win against the Red-

straight against the NFC East.

Cowboys 23, Bengals 20: Cincinnati's Jeff Blake nearly turned his first NFL start into one of the league's biggest upsets, hut the two-time Super Bowl champions regrouped behind Troy Aikman and played Andre Reed eaught five well enough to grind out a vic-passes for 106 yards and two tory on the road.

pair of long touchdown passes for Buffaio. Keily completed 14 for a 14-0 lead. But Aikman shook off another blow to the head just one week after sus-taining a concussion and threw a pair of first-half touchdown passes. Chris Boniol kicked three second-half field goals to give Dallas (7-1) its seventh straight road win, matching the

club record.

The matchup between the NFL's best and worst wasn't the mismatch everyone expected, thanks to a surprising debut by the Bengals' third-string quarterback.

Blake, a third-year pro forced to start because of injuries to David Klingler and Don Hol-las, threw for 247 yards and caught the league's best defense flat-footed twice.

Aikman completed 20 of 33 passes for 272 yards and one interception. Emmitt Smith rushed for 92 yards on 25 car-10-year veteran turned it ries behind a banged-up offensive line missing Pro Bowl tackle Erik Williams.

Lions 28, Giants 25: In East Rutherford, New Jersey, Jason Hanson kicked a 24-yard field Washington is 0-5 at home goal with 8:17 left in overtime this season and has lost 12 after Barry Sanders made a great individual play to keep the drive alive and Detroit banded the Giants (3-5) their fifth straight loss.

> Sanders, who rushed for 146 yards and became the NFL's first 1,000-yard rusher this season, broke two tackles in gaining 9 yards on a swing pass on a third-and-9 from the Lions' 25.

# Penn St. Convinces Ohio St., 63-14 Reserving Reserving

lege rankings, where appearances are often everything, in: looks can be deceiving.

For Penn State, a decisive victory might have assured its top spot in the weekly football polls, and the Nittany Lions followed through hy pulverizing Ohio State, 63-14, before a homecoming-day crowd of

97,079. But despite the victory, Penn State dropped to No. 2 in the Associated Press poll. The Nittany Lions remained atop the CNN-USA Today coaches' poll, the AP reported.

. The Nittany Lions, led by a quarterback who couldn't be quarterback who couldn't be stopped and a tailback who wouldn't be tackled, handed wouldn't be tackled, handed bisses of the century. Ambrose Fletcher's touchdown with 6 minutes 31 seconds left to play gave the Buckeyes their worst gave the Buckeyes their worst defeat since 1902, when they

lost to Michigan, 86-0. Kerry Collins, the nation's To subscribe in find just call, tall box top-rated quarterback, completed 19 of 23 passes for 265 yards and 2 touchdowns. Ki-Jana Cartry, the dynamic tailback, scored touchdowns and rushed for

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137 yards on 19 carries. The victory extended Penn State's unbeaten streak to 12 games.

"I'm as surprised as anybody," Joe Paterno, the coach of Penn State, said. "It was just one of those days. We had a great week of practice and played a great game."

▲DELTA\_AIR LINES

- 100'LL LOVE TOE WAY WE FLY

achieving its goal of winning its straight game.

first Big 10 championship and a Auburn trailed, 14-10, entertrip to the Rose Bowl. Ohio State ing the fourth quarter before Kez McC.

COLLEGE FOOTBALL (6-3, 3-2) may be in second place in the conference, but it was as far from the Nittany Lions as

Jupiter is from Mars. -Carter had the first of his three first-half touchdowns in 49 seconds left in the period.

quarter when Carter circled left Georgia. end for a 1-yard touchdown. Then it was 21-0, with Collins hitting Bobby Ingram for a 15yard touchdown.

On Penn State's next possession. Ingram made a one-handed catch as he was falling to the ground at the Ohio State 36yard line. On the next play, Car-ter exploded up the middle for a touchdown and it was 28-0.

On the Buckeyes' next pos-session, quarterback Bobby Hoying's pass was intercepted by Brian Miller. Five players later, Collins fired a pass to Mike Archie, whose diving catch for a five-yard touchdown put Penn State ahead, 35-0.

As the Ohio State cornerback time, then missed a chance to Marlon Kerner said later, "It win when Ben Crosland's 43- Utah Jake Plummer threw for a was absolutely embarrassing." In other top 25 games, The Associated Press reported:

No. 4 Auburn 31. Arkansas

Davis scored on runs of 1, 24 and 53 yards. No. 5 Florida 52, Georgia 14: At Gainesville, Florida, Darren

Hambrick made a dazzling, 81yard interception return for a gan 19: Darrell Bevell threw touchdown on the final play of the first half, highlighting Florida's victory. the first quarter when he scored three times - twice on inter-

The Gators' defense scored on a 20-yard run with 10 minutes ceptions and once on a fumble return. Erie Zeier was intercept-

No. 6 Miami 24, No. 13 Virginia Tech 3: At Miami, middle hnebacker Ray Lewis made 17 tackles, intercepted a pass and broke up four others as the Hurricanes shut down Virginia Tech. Miami forced three turnovers, had six sacks and held Virginia Tech to minus-14 yards rushing.

No. 7 Texas A&M 21, Southern Methodist 21: At San Antonio. Texas A&M lost its perfect season when Kyle Bryant's 67yard field goal attempt fell short with one second left.

row in the Southwest Conference. SMU led, 14-0, at halfyard field goal attempt went career-high 327 yards and three wide in the final 30 seconds.

Duke 20: At Tailahassee, Flori-

It was a pivotal game for Penn touchdowns in the fourth quarrouted previously unbeaten State (7-0, 4-0), which is close to ter as the Tigers won their 19th Duke for their record 22nd straight Atlantic Coast Confer-Kez McCorvey caught 10

passes for 207 yards for the Seminoles, Robert Baldwin ran for 96 yards and broke the 1,000-yard mark for Duke. Wisconsin 31, No. 10 Michi-

three touchdown passes and Wisconsin won at Ann Arbor, Michigan for the first time since Brent Moss came back from

a two-game absence and ran for 106 yards for Wisconsin. Ty-It became 14-0 in the second ed a career-high four times for rone Wheatley ran for 132 yards for Michigan. Oregon 10, No. 11 Arizona 9:

At Eugene, Oregon, Danny O'Neil threw a 15-yard pass to Josh Wilcox early in the fourth quarter for the game's only touchdown as Oregon surprised Arizona. Oregon remained in the pic-

ture for its first Rose Bowl berth since 1957. The Ducks, who upset Washington last week, overcame a 9-0 halftime deficit. Texas Tech 33, No. 19 Texas

9: At Lubbock, Texas, fresbman Zebbie Lethridge threw for three touchdowns as the Red The Aggies had won 26 in a Raiders preserved their shot at the Cotton Bowl.
Arizona State 36, No. 20

touchdowns as the Sun Devils No. 9 Florida State 59, No. 16 spoiled BYU's homecoming. Arizona led, 23-0, at half-

14: At Auburn, Alabama, Ste-phen Davis ran for a career-high 246 yards and scored three ond quarter as the Seminoles of time. BYU hurt itself early with an interception and two fum-bles by tight end Itula Mili.

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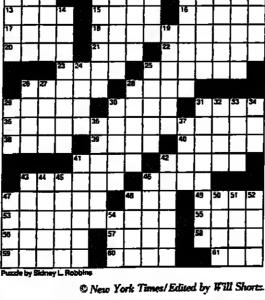
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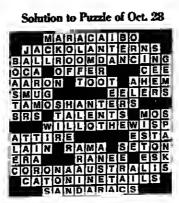
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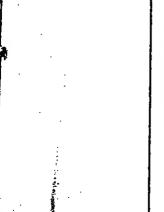
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#### **LANGUAGE**

# On the Edge Is Where It's At

By William Safire

Edge," from a quote attributed to a close friend of the Clintons: "Bill has always been someone who has lived on the edge, politi-cally and personally." The reporter treats it to mean "in the

aura of danger."
On the edge is where it's at. metaphorically speaking. A blurb for Mark Olshaker's oew novel, "The Edge," reads: "a thriller that stretches the limits of the genre and takes readers to the terrifying edge of human

behavior and medical science." Edge - from the Middle English egge, based on the Old Eng-lish egg, meaning "corner, point" — came to mean "border, margin, rim," a place that lends itself to a pyrotechnic display of metaphors. What, for example, does

One sense is "at the dividing line," as on the cutting edge of a blade: the lexicographer Anne Soukhanov traces it to the 1718 Alexander Pope translation of Homer's "Iliad," where each Greek "stands on the sharpest edge of death or life." W. Somerset Maugham used this sense in his 1944 title "The Razor's

Another sense is "poised, ready," as to be on the edge of a major decision; an 1884 biography of Francis Bacon recounts:
"He was now oo the very edge
of losing his office," a position familiar to many current candidates. This is more frequently

expressed as on the verge of. Yet another sense is "about to go crazy" or, in more clinical terms, "bordering on mental instability" or "losing cootrol." The King James version of Jeremiah says: "The fathers have eaten a sour grape, and the children's teeth are set on edge." Since 1837, edgy has been syn-onymous with "testy, irritable"; the closer we get to the edge, the

WASHINGTON — Elizative magazine last mooth titled an article about cops who sidery book about the Clinton presidency is titled "On the Edge." This usage is related to the Edge. Time magazine last mooth ti- sion in California tossed out a to over the edge, which since 1929 has meant "insane."

Now we come to the sense of moment: "in a precarious position," calling to mind standing on the edge of a precipice. That's Drew's "aura of danger." In a 1985 novel, Nelson DeMille wrote of "the excitement of comhat, of living on the edge."

To live on the edge, in its latest meaning, is to court danger, to experience the thrilling state of always oearly getting caught.

"She glues her swimsuit to ber butt," Roxanne Roberts wrote in The Washington Post about a contestant in the Miss

America pageant.
"Purposeful debasement of the language." a Post reader objected. "But used this way is gutter language," Thomas Parker Jr. cootinued, ". . . oot acceptable in polite cooversa-

Another reader, Donald P. McEwan, countered: "This commonplace and inoffensive word is not identified as a vul-gar usage in Webster's New World," adding that the dictio-oary includes "a synooym for butt that I imagine Parker would be even less pleased to see in print."

Butt is a clip of buttock, a Standard English word rooted in German for the fleshy back of the hip on which a person sits, as acceptable in polite modern discourse as foot or nemodern discourse as foot or penis. The slang expression to kick butt is also inoffensive to most people, and butt-head long ago lost its taboo.

Butt-head uses the verb butt based on a Germanic verb for "to thrust or beat," and the noun, with a lowercase h, names one of MTV's cartoon characters "Beavis and Butt-head," A

more nervous the meaning, recent federal district court decilibel suit by the astronomer Carl Sagan on the use of the word. He'd sued Apple Computer after insisting that Apple stop using Carl Sagan as the code name on its personal computer; the comon the edge taking over at the pany complied, changing the code name to Butt-Head Astronomer. In dismissing the case, Judge Lourdes G. Baird wrote: "One does not seriously attack the expertise of a scientist using the undefined phrase butt-head."

As McEwan suggests, butt is a euphemism for ass, a word oot permitted in The New York Times unless referring to a donkey. Editors bave lifted this restriction when quoting presidents, as in some usages on the Nixon tapes and in George Bush's remark (intended to be private) after a debate that he really kicked ass."

Horses are the genus equus; a donkey is ao equus asinus. source of ass and the adjective asinine. In "The law is a ass," Charles Dickens was using the sense of "donkey," an animal that is thought to be dull-wit-

The other ass, the absence of which is oot a major loss to any medium, is a variant of a different etymon, arse; the r was dropped in commoo usage, just as parcel became passel and

curse became cuss.

Though the vulgarism is in frequent street use, and is over-used by screenwriters in a reach for realism, it retains some taboo: hence, the use of a cuphemism hy President Reagan in "I've had it up to my keister" (reportedly a Yiddishism for a collapsible display case used by con men, sometimes sat or fallen upon); the choice of "cover your rear end" to define C.Y.A. by senators; the recent popularity of the word buns in fashioo agazines, and the inclination of some editors to seize upoo the word butt.

New York Times Service

# Gemologist Focuses On the Spiritual

By Andrew Ranard D ANGKOK — The luster in Rich-D ard Brown's eyes invites comparisons to the flawless rubies, pearls, emeralds and diamonds he deals in at his shop in Bangkok, Astral Gemstone Talismans. He has a crewcut and carries himself with military bearing. His sport shirt is huttoned at the top, and when he stands for a photograph, his hack is ramrod straight and his haods folded in front with Asian propriety. Conversation with him enters into

Tastemakers

An occasional series about people for whom style is a way of life



am a humhle servant of the Vedas," he says, referring to the ancient Sanskrit

the perilous realm of conversion. "l

Brown reads, writes and speaks Sanskrit, as well as Hindi, and can speak Bengali and Thai. He picked up his Sanskrit during a seven-year hiatus at a mooastery in Vrindavan, Iodia. So how did this ardent student of

religious scriptures become a gem dealer and jewelry designer in Thai-

What's more, be's oo ordinary gemologist. His work has sparked wide interest in gem-industry circles, and be counts among his clients Thai movie stars and the queen of Thailand, who accepted a nine-piece set as a

Krit Ratanarak, president of the Bank of Ayudhaya, one of the richest men in Thailand, is a business partner. Brown, a Californian, was raised in an army family and was also a minor rock star in Londoo with a band called The Misunderstood during the late '60s. When the other members of his American band were drafted, he left for the strawberry fields of India

for religious instructioo.

Through reading the Vedas, where it is written that gems have sacred powers, he began his 19-year affair with gemology, which resulted in ma-triculation from the Gemological lostitute of America.

Brown has carved out his niche in the gem husiness by dealing exclusively in the 2 percent of gems on the market that are flawless, and claims that he is the only gem dealer in the world with this portfolio.

Bangkok is an appropriate base for his business, as the belief that gems have spiritual properties is widespread throughout Asia.

Yet even most Asian buyers settle for less than perfection. Brown says. pointing out a framed passage on the wall from the Jyotish Vedas, the "Science of Time": "Pure, flawless gems have auspicious qualities which can protect one from oemons, snake bites, poison, diseases, sinful reactions and other dangers, while flawed stones are evil and inauspicious."

Brown's marketing logic is rigorous, with sudden leaps. "Would you buy eye spectacles or a radio crystal which was imperfect? Yet when people buy stones they re willing to settle for defects. When stooes have small defects in them, the life force in them is gone, like the body, when you die or after an accident. Flawless stones have souls.'

When customers eoter Brown's shop, he chooses stones for them based on Vedic astrological readings. The readings are done by computer, oo a program that Brown created, according to date, time, place of birth and other planetary karma.

The method is complex, but the oovice can get a handle oo it by referring to day of birth. For those born oo Sundays, rubies are significant; for Mondays, it is pearls; Tuesday, coral; and so on.

Those who cannot afford precious stones can substitute less powerful secondary stones with their lyrically more exotic names - red spinel, carnelian, peridot.

Brown's religiosity camouflages his aesthetic drive. His jewelry designs again done on computer - comprise about 180 different patterns, which include astrological configurations.

For Richard Brown, "flawless stones have souls." And because the stooes are flawless tomers. They don't compete. They and not bought in lots, no two stones have different customers. Compared

The average price of a piece is \$1,200, though some have sold for more than \$30,000. Last year's sales were more than \$500,000.

Brown's business acumen leads him hack to the material world: "Mercedes-Benz didn't steal Toyota's cus- and the arts in Asia.

are alike. Thus, the jewelry must be to a Benz that will last 100 years, how designed around the shape of a stone, about a gernstone that took millions of and each piece becomes unique, years to create?

(he has passed 1,200) in limited edition, which be likens to Faberge's jeweled eggs. 50 percent are men and 50 percent are

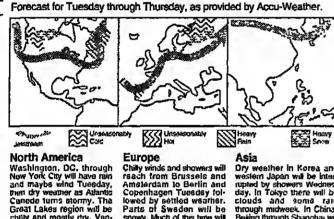
women. The effulgence in Brown's eyes is constant. One reaches for "the white radiance of eternity.'

Andrew Ranard writes about culture

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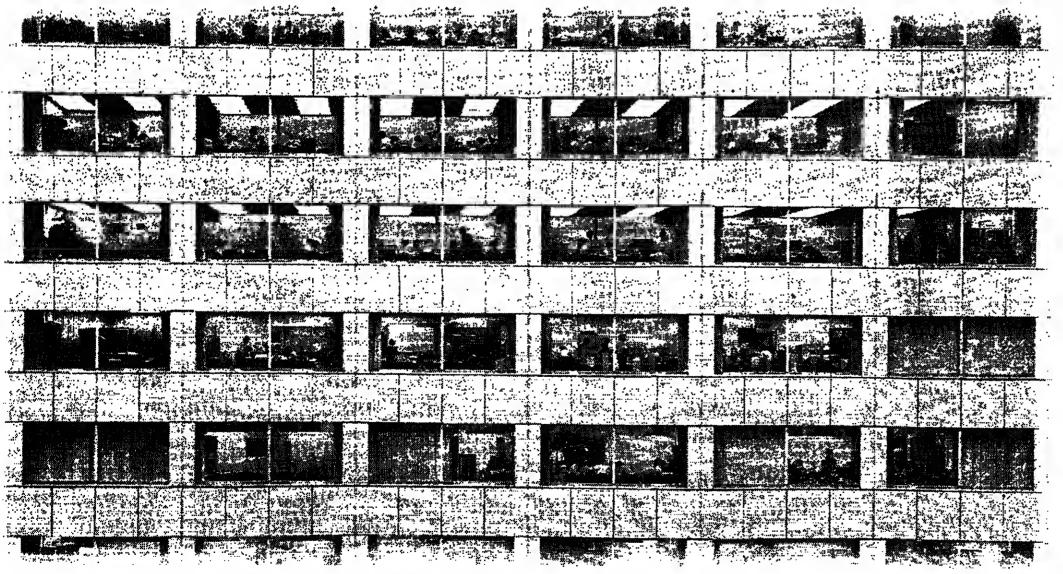
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savy >>w	Africa		Gold has-relief, plush boxes and glisten-	Among the recently unveiled huildings	get it back to the original plans."
and inter- dnes- ill be rain	Casablance Harare Lagos Nepabl	24.75 18:64 s 24.75 18:64 s 28:82 19:55 s 21:88 19:55 s 21:88 19:55 s 21:71 18:55 s 22:71 18:56 7:44 pc 23:73 14:57 t 18:65 7:44 pc 23:73 9:46 s 23:74 23:75 t 23:75 14:57 pc 24:75 13:75 st 24:75 14:57 s 25:77 18:51 s	ing chandeliers greeted the opening night audience, which came to see a rousing performance of n new work called "Let's Dance Together."	is the central market place, renovated with porcelain roof tiles copied from those of the 1890s. On Liberty Square, the exterior of the stock exchange, formerly the largest	But the architects in charge of the renova- tion were hampered by a dearth of original drawings. Maria Siklos, one of two Hangar- ian architects on the project, said that only
hina, a. will ettled	North An		During the Communist era, the hall fell upon hard times, Officially called the Hun-	in Central Europe and now housing the national television stations, has been refur-	one photograph of the early interior had been found. Ground plans for the building
Hang Hang Igkok	Anchorage Atlanta Boston Chicago Denver Detror Honolutu	640 - 574 + 744 174 pc 2-71 1365 c 2773 848 pc 1457 1165 sh 1651 846 sh 1152 3737 sh 1650 276 pc 1457 - 1731 s 1854 173 pc 1355 5441 / 1253 377 sh 3060 2475 pc 3085 2475 pc	garian Popular Army Theater, it was for decades a beacon of Stalinist social realism, with boxes that were far from plush, mili- tary motifs on the walls and lighting that	hished.  The renovation and reopening of the Vigszinhaz in its original form is particularly symbolic for the city as it tries to	were destroyed during World War II.  With the driving energy of Marton, who was determined to be as true to the original as possible, guidance from some of Fellner
"w	Houston Los Angeles Marm	26/62 14/57 pc 26/79 14/57 pc 38/62 14/57 c 26/79 14/57 pc 31/89 25/73 r 30/86 23/73 pc	consisted of bare bulbs, not chandeliers.  The opening of the restored Vigszinhaz,	escape its Communist past and pushes toward a more prosperous future.	and Helmer's other theaters in Europe, including the Volkstheater in Vienna, and
pc pc pc pc pc	Minneapolis Montreal Nasseu New York Phoeno Sen Frain Seattle Teronto	10.50 \$2.79 pc 843 173 pc 846 1731 pc 946 1731 pc 946 1731 pc 946 1731 pc 1876 2475 pc 3148 2475 pc 1876 1752 948 pt 3168 1676 1 3168 1676 1 2058 12753 pc 11752 8448 r 948 473 pt 1050 1747 r 848 0732 pt	popularly known as the Vig. which can be roughly translated as comedy, marked another step in the rebirth of Budapest. Elegant buildings dating from the last decades	The theater, designed by two popular German architects, Ferdinand Fellner and Herman Helmer, and opened in 1896, was bombed in 1944, and the auditorium was	a little imagination, the past was re-created, Siklos said.  "It can't be absolutely the original, but we wanted to give back the mood," she



toward a more prosperous future. The theater, designed by two popular popularly known as the Vig. which can be roughly translated as comedy, marked an-German architects, Ferdinand Fellner and Herman Helmer, and opened in 1896, was other step in the rebirth of Budapest. Elegant buildings dating from the last decades bombed in 1944, and the auditorium was of the Austro-Hungarian Empire but pockalmost entirely ruined. Quickly rebuilt hy



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